

BULLETIN

OF THE

NATIONAL ASSOCIATION OF CREDIT MEN.

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CHAS. E. MEEK, SECRETARY-TREASURER,
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CONTENTS

	PAGE
New Members Reported during April.....	290
Notes	294
The Association Has Consistently Declined to Indorse any Commercial Enterprise	300
"Rule of 36:6," by W. L. Brownell, Ampere, N. J.....	301
Get Acquainted with Minneapolis, the Next Convention City.....	303
Notes Regarding the Forthcoming Convention	304
Directory of Hotels in Minneapolis	305
English and American Mercantile Agency Methods.....	306
From a Member Who Believes in Single-handed Prosecution for Fraud if Others Will not Join	309
Correspondence between Two Illinois Railway Agents Providing Food for Reflection	310
A Question of Insurance on Stock in Hand but Not Inventoried.....	311
Missing Debtors	311
It's Up to You to Get Your House a Better Credit Man by Making a Better Credit Man of Yourself	312
Legal Bureau Opinions	313
Abuses Under the Bankruptcy Law. The Appointment of Masters in Chancery	316
An Immoral Episode with a Moral	317
The Principle of Holding Customers Strictly to the Discount Contract Taking Deep Root	318
Science and Art in Business, Especially in Its Credit Side, by W. C. Harris, Fulton, Mo.	319
Methods for Opening a New Account by the Credit Department, by Victor Robertson, St. Paul, Minn.	320
Liability of Bank Officers and Directors, by N. E. Haugen.....	321
The Bulk Sales Law Primarily a Rule of Evidence.....	322
The Value of the Bulk Sales Law in Providing a Rule of Evidence in Certain Classes of Fraud Cases	324
The Relation between the Sales and Credit Department, by R. S. White, Chicago, Ill.	328
Mercantile Reports Good, but Exchange of Ledger Experience Better.....	334
Must a Shipper Take Back Goods Lost in Transit and Later Found by the Carrier?	335
Certificate of Credit Endorsement	335
Criminal Matches	336
As a Great Foreign Banker Views Our Financial Arrangements.....	337
A Simple Request	337
Association Notes	338
Baltimore	338
Boston	339
Buffalo	339
Chicago	340
Cleveland	341
Davenport	341
Des Moines	341
Detroit	342
El Paso	342
Fargo	343
Grand Rapids	343
Indianapolis	343
Kansas City	344
Knoxville	344
Minneapolis	344
Montgomery	345
Newark	345
New Orleans	346
Norfolk	346
Omaha	347
Philadelphia	348
Pittsburgh	348
Portland	350
St. Louis	351
St. Paul	351
Seattle	352
Syracuse	353
Tacoma	353
Toledo	353
Wilmington	353
Wants	354

In answering inquiries as to the credit standing of customers it will never hurt and often will help you if you mention the benefits of membership in the National Association of Credit Men. There is no advertising quite so good for the Association. Besides, an Association of over fourteen thousand of the leading business houses of the United States is worth talking about in season and out of it.

NEW MEMBERS REPORTED DURING APRIL.

Ashland, Ohio.

Hess, Dr., & Clark—W. L. Cordell.

Athol, Mass.

Bates Bros. Co., The—George D. Bates, Treas.

Baltimore, Md.

Dickey, Charles H.
Graichen, Wm. C., Glove Co.—Wm. C. Graichen.
Koch, Wm., Importing Co., The—John Reider.
Lahey, M., & Sons—Frank Engers.
Ober, Gustavus—J. Harry Tregoe.
Slagle & Myers—J. Ross Myers.

Bethel, Conn.

Von Gal Bros., Inc.—Jacob K. Von Gal, Pres.

Boston, Mass.

Boot & Shoe Recorder Pub. Co.—B. Frank Fox, Asst. Treas.
Chadwick-Boston Lead Co.—D. W. Wade, Treas.
Clement & Soule—H. C. Soule.
Congress Shoe & Rubber Co.—Marshall Cutting, Treas.
Lowe, Donald & Co.—Walter Biggar.
Sterling Comb Co., The.

Buffalo, N. Y.

Aldrich Mfg. Co.—I. A. Aldrich.
Bast, Henry H., Co.—Henry H. Bast.
Bean, B. H.—F. T. Miller.
Bison City Table Co.—Oliver W. Kreinheder.
Blakeslee-Thomas Co.—William J. Thomas.
Blecher & Kratz—M. H. Blecher.
Brennisen, F., & Son—F. Brennisen.
Budd, T. Augustus.
Buffalo Bag Co.—Kent M. Austin.
Buffalo Candy Co.—T. H. Schabacker.
Buffalo Catholic Publication Co.—W. A. King.
Buffalo Cold Storage Co.—D. E. Knowlton.
Buffalo Loan, Trust & Safe Deposit Co.—Charles E. Clark.
Buffalo Metal Furniture Mfg. Co.—W. H. Thomas.
Buffalo Scale Co.—T. L. Richmond.
Buffalo Wholesale Wall Paper Co.—Wm. T. Stettenbenz.
Commercial Listing Co.—H. A. Hathaway.

Coppins, F. T., & Son—Lyman T. Coppins.

Crosby Company, The—William H. Hill.

Cumpson, T. & E.—Edward Cumpson.
Curtiss, W. H., Mfg. Co.—W. H. Curtiss.

DeLaney Forge & Iron Co.—David C. Howard.

Dohn, Fischer & Beyer—G. W. Beyer.
Enos & Sanderson—George E. Enos.
Fisher, Fred.

Fulghum & Smith—M. W. Smith.
Ginther's, J., Sons Co.—C. M. Ginther.
Gleason & Lansing—Ira T. Gleason.
Graphic Arts Co.—H. P. Stamler.

Harris Soap Co.—Charles A. Harris.
Howard Iron Works—Geo. H. Gardner.

Huntington & Finke Co.—F. H. Whitelock.

Hutzler, John.
International Acheson Graphite Co.—Frank N. Coe.

Iroquois Door Co.—G. E. Wood.
Jackson & Tindle—George A. Jackson.

Kessel & Buerger—Jno. A. Kessel.
Lackawanna Steel Co.—E. W. Van Trees.

Laub's, George, Sons.
Leon, T. & J., Co.—Tony Leon.
Levi, D. B., & Bros.—Ernst Levi.
Lipowicz, S.
McCarthy Bros. & Ford—John J. Murphy.

McDowell Printing Co.—D. C. McDowell.

McKinnon Dash Co.—E. J. Burrows.
Moss-Chase Co., The—J. C. Moss.

Neubecker, William—E. F. Neubecker.
Niagara Box Co.—Jos. N. Klaus.

Nowak, A., & Son—M. M. Nowak.
Rice & Adams—Orlando Adams.

Rogers, B. D., Sons—H. E. Rogers.
Rosenthal, Max.
Russell & Watson—A. J. Russell.

Saenger, E. A., Co., The—Emil A. Saenger.
Seneca Rubber Co.—R. Park, Jr.

Shoemaker & Volkert—R. S. Shoemaker.
Sowerby, George T.

Superior Cigar Co.—H. B. Tompkins.
Todd, G. W., & Co.—W. H. Robinson.
Union Stock Yards Bank—John A. Kloefer.

Vim Cycle & Hardware Co.—John W. Henry.
 Wattles, G. M., & Sons—Jay H. Wattles.
 Weed, C. A., & Co.—R. S. Weed.
 Weinheimer, F.
 Welch, J. M.
 Young & Swartz—B. J. Swartz.
 Zander Plumbing Supply Co.—F. W. Zander.

Chicago, Ill.

Beatrice Creamery Co.—Nelson A. Emmeritz.
 Chicago Pulley & Shafting Co.—Oliver Stangland.
 Coman, Lanquist & Co.—A. C. Lanquist.
 Curtiss & Warren—A. J. Dunham.
 Detmer Woolen Co.—A. B. Creighton.
 Globe Coal Co.—E. S. Van Sant, Vice-Pres.
 Groves, F. W., & Co.—F. W. Groves.
 Hoffman, E., Co.—Louis Neumann, Pres.
 Illinois Glass Co.—Adolph H. Wolff.
 Jones, Fred D., Co., The—S. Munde, Mgr.
 Joyce & Co.—E. A. St. John, Pres.
 Klein Brothers—Chas. H. Leech.
 Levin Brothers—Louis Levin.
 Watson, H. F., Co.—S. M. Fargo.

Columbus, Ohio.

Columbus Merchandise Co.—H. E. Smith.
 Columbus Varnish Co., The—W. K. Scherr.
 Jones-Witter Co.—A. B. Adair.

Decatur, Ill.

Decatur Railway & Lighting Co.
 Dilling's Candy Co.
 Michl, Jos., & Sons.

Detroit, Mich.

Bush-Scott Co.—Willard K. Bush.
 Business Man's Pub. Co.—Fred W. Morton.
 Clark, Lockwood, Bryant & Klein—Wm. G. Bryant.
 Detroit Carriage Co.—Henry W. Paton.
 Detroit Hay Co.—Charles E. Bruce.
 Detroit Window Cleaning Co.—A. D. Matheson.
 Detroit Wire Spring Co.—L. A. Young.
 Diamond Rubber Co.—J. O. Goudie.
 Dime Savings Bank—T. C. Sherwood.
 Dust, Wm. T., Co.—Wm. T. Dust.
 Franklin Press, The—A. H. Finn.
 Friedman, Wm.
 Gray, A. A., Co.—Chas. L. Williams.
 Hayes File Co.—M. L. Hayes, Sr.
 Healy, D. J.
 Hunt Showcase & Mfg. Co.—Harmon J. Hunt.
 Janton, Geo., & Sons Co.—A. I. Sampson.

Kemiweld Brch. Det. Can Co.—G. B. Sherman.
 Kirchberg, Wm. M., Co.—Wm. M. Kirchberg.
 Kotcher, C. W.
 Langley, John E.
 Mack, Jos., Printing House—Joseph Mack.
 Malcomson, A. Y., Coal Co.—Edward J. Tisdell.
 Marks, Hiram, Electric Co.—Hiram Marks.
 Michigan Steam Laundry Co.—Wm. E. H. Lang.
 National Cash Register Co.—G. N. Lingham.
 Newland Hat Co.—Alex. I. Lewis.
 Royal Valley Coffee Co.—K. M. Bour.
 Smith, Jos. N., & Co.—C. E. Blaesser.
 Standard Brass Works—H. R. Brownell.
 Standart Bros., Ltd.—R. W. Standart, Jr.
 Traub Bros. & Co.—Wm. H. Traub.
 Weber Bros. Co.—Chas. J. Weber.

Fond du Lac, Wis.

Huber & Fuhrman Drug Mills—K. S. Smith, Sec. & Treas.

Fort Worth, Texas.

Agee Screen Co.—H. L. Agee.
 Alta Vista Creamery Co.—I. O. Friedman.
 Bowdry & McKinley—W. P. Bowdry.
 Bran, H., & Co.—H. Bran.
 Burke, Henry C., & Son—Henry C. Burke.
 Burton Dry Goods Co.—Wm. Roundtree.
 Casey, Martin, & Co.—John F. Ryan.
 Chrystal Ice Co.—H. L. Calhoun.
 Collinville Mfg. Co.—T. W. Angel.
 Crescent Chemical Co.—F. W. Schopmeyer.
 Ft. Worth Cotton Oil Co.—F. A. Blaine.
 Ft. Worth Mattress & Comfort Mfg. Co.—Max Everburg.
 Gernsbacker Bros.—Henry Gernsbacker.
 Hartnett, G. D., Co.—L. J. Hartnett.
 Hub Furniture Co.—W. E. Austin.
 Mitchell, J. W., & Co.—J. W. Mitchell.
 Monnig Dry Goods Co.—C. C. Drake.
 National Coffee Co.—Julius Boehme.
 Pierce-Fordyce Oil Co.—W. Holt Harris.
 Shaw Bros. Creamery Co.—Albert Shaw.
 Snyder Brokerage & Storage Co.—A. A. Glover.
 State National Bank—S. P. Berry.
 Texas Overall Co.—C. R. Miller.
 Waples-Platter Gro. Co.—C. B. Abney.
 Ward & Isbell Lumber Co.—W. B. Ward.
 Wilkins, Werner, Grain Co.—Werner Wilkins.
 Wilson, W. S., & Co.—Ray Wilson.

Holyoke, Mass.

National Blank Book Co.—Z. D. B. Hallett.
White & Wyckoff Mfg. Co.—W. F. Gillette.

Indianapolis, Ind.

Groenewoldt, A. J., & Son—W. J. Groenewoldt.
Grossart & Gale—I. C. Grossart.
Home Brewing Co.—A. M. New.
Indianapolis Cordial Co.—Theo. Hammel.
Keating, Leehey & McGurty—P. J. McGurty.
Metzger, Jac., Co., The—J. D. Meek.
Pitman, Meyers Co.
Pohlman, Jno., & Co.—E. G. F. Brinkmeyer.
Ross, Jas. R., & Co.—H. C. Thomson

Jacksonville, Fla.

Florida Chair Factory—W. M. Toomer, Pres.

Kansas City, Mo.

Buick Motor Co.—D. B. McCoy.
Columbus Coal Co.—R. Payne.
Faultless Starch Co.—A. F. Turner.
Kansas City Breweries Co.—Conrad H. Main.
Kennedy, N. A., Supply Co.—Chas. N. Taylor.
Laning-Harris Coal & Grain Co.—E. H. Harris.
McAlester Fuel Co.—H. M. Boyer.
Marshall Oil Co.—H. L. McCaw.
Martin & Hubbell—C. G. Hubbell.
Murdock, C. A., Mfg. Co.—O. L. Carpenter.
Pittsburg Plate Glass Co.—C. D. Ward.
Western Coal & Mining Co.—A. H. Raymond.

Little Rock, Ark.

Fones Bros. Hdwe. Co.—J. J. Mandelbaum, Sec.

Marion, Ohio.

Fairbanks Steam Shovel Co., The—R. C. McCollum, Treas.

Milwaukee, Wis.

Clark & Host Co.—Chas. A. Clark.
Hochstein Leaf Tobacco Co.—Geo. W. Hochstein.
Moritz-Goldberg-Winter Co.—Adolph Moritz.
Sausage Factory—Fred Usinger.
Sprinkmann, Fred.

Montgomery, Ala.

Royster, F. S., Guano Co.—A. H. Rawlings.

New York, N. Y.

Bentley, Chas. E., Co.—H. E. Verran.
Century Bank, The—Geo. P. Kennedy.

Davis, Edward—Arthur Davis.

Edison Elec. Illuminating Co. of Brooklyn—F. J. McCormack.

Equitable Trust Co. of N. Y.—Friedrick W. Fulle, Vice-Pres.

Fidelity Trust Co.—Samuel S. Conover.
German Exchange Bank—Harry Engel.
Lace & Embroidery Association—Joseph E. Austrian, Actuary.

Lefcourt, A. E., & Co.—A. E. Lefcourt.
Loewy, L., & Son—Benjamin J. Fischer.
Lunkenheimer Company, The—Ernest W. Lees.

McCutcheon, James, & Co.—Norman L. McCutcheon.

Meyers, J. M., & Co.—J. M. Meyers.
Minimax Company—A. F. Thompson.
National Wholesale Lumber Dealers' Assn.—W. W. Schupner.

Old & Wallace Co.—Lester Wallace.
Regina Company, The—L. T. Gibson, Sec.

Ryerson, Joseph T., & Son—Joseph T. Ryerson.

Savoy Shirt Co.—E. E. Child.
United States Tire Co.—N. R. Feltes.
Weisker, Charles, & Co.—Charles H. Weisker.

North Attleboro, Mass.

Blackinton, R., & Co.—Wm. H. Segur.

Oklahoma City, Okla.

Alexander & Upsher—Harry Upsher.
Amer. Steel & Wire Co.—J. H. Eggleston.

Bass Furniture & Carpet Co.—O. R. Randall.

Emerson-Newton Co.—G. D. Marshall.
Hughes-Bozarth-Anderson Co.—C. H. Anderson.

Merrill & Braniff—T. E. Braniff.
Tradesmen's State Bank—F. J. Wikoff.
Vanzant-Bruce Drug Co.—C. C. Ingram.

Waco Sash & Door Co.—A. E. Moore.
Wright, W. D., Prod. Co.—W. D. Wright.

Omaha, Neb.

Alamito Sanitary Dairy—Harry A. Cross.

Curry, A. B., Co.—A. B. Curry.
Firestone Tire & Rubber Co.—A. G. Brandenburg.

Great Western Type Foundry—S. J. Potter.

Hospe, A., Company—J. P. Kepler.
Morton, Jas., & Son Co.—C. W. Morton.

Union Match Co.—J. W. Bailey.

Philadelphia, Pa.

Bromley, James & Geo. D.—Jas. A. Bromley.

Firth & Foster Co.—Jules A. Kerle.

Lawrence-McFadden Co., The—C. M. Brouse.

Lowry, Alfred, & Bro.—W. M. Bickham.

Lummas, S. P., Supply Co.—S. P. Lummas.

Schmidt, Henry, & Bro., Inc.

Pittsburgh, Pa.

Commercial Sash & Door Co.—Paul C. Keyes.

Felt & Tarrant Mfg. Co.—W. D. Shimp.
Gardner, Wm. F., & Son—H. B. Gardner.

Gareis, J. G., Co.

Hall Bros. & Co.—Sam E. Hall.

Interstate Cordage & Paper Co.—Robt. E. Henry.

Krakno Glass Co.—Stephen P. Elkins.

McCandless, W. G., & Sons—Geo. M. McCandless.

Morlan-Ricks-Hughes Co.—L. T. Morlan.

Nuttall, R. D., Co.—J. H. Dunn.

Security Adjustment Co. of Pittsburgh.—A. M. Carline.

Volkwein Bros.—J. C. Volkwein.

Reading, Pa.

Reading Standard Company—G. W. Swartz, Treas.

Richmond, Va.

Sanders Brothers.

Virginia-Carolina Hardware Co.

St. Joseph, Mo.

Guthrie Mercantile Co.—W. E. Mansfield.

Heim Specialty Co.—Otto Heim.

Mueller-Keller Candy Co.—Harry La Croix.

St. Joseph Paper Co.—D. J. Weinman.

St. Louis, Mo.

Union Dairy Co.—John C. Day.

St. Paul, Minn.

Boak Fish Co.—Lemuel Dyer.

Finch, Van Slyck & McConville—W. R. Olsen.

Johnson, C. I., Mfg. Co., Inc.—W. T. Johnson.

Noyes Bros. & Cutler—Levi T. Jones.

Sealsight Oyster Co.—J. B. LaFaver.

Sommers, G., & Co.—H. E. Engstrom.

Stickney, Chas. A., Co.—Gustave Risser.

Seattle, Wash.

Curran-Greene Shoe Mfg. Co.—Hugh L. Curran.

Fisher Flouring Mills Co.—W. S. Allen.

Gurley, W. & L. E.—W. J. Rankin, Jr.

Kjos, O. A.—Care Western Dry Goods Co.

Sunde & Erland Co.—C. Sunde.

Thorsen, Thomas J.—Care Washington Shoe Mfg. Co.

Selma, Ala.

Cawthon-Coleman Co.—L. A. Weisinger.

Selma Hardware Co.—R. S. Carothers.

Selma Marble & Granite Works—J. W. Peters.

Union Iron Works Co.—James B. Ellis.

Syracuse, N. Y.

Boedtker, Hylmar, Tobacco Co.—Fred W. Miller.

Bronner Mfg. Co.—Henry Bronner.

Brown-Lipe-Chapin Co.—H. W. Chapin.

Dunn Salmon Co.—C. H. Johnson.

Engelberg-Huller Co.—C. P. Remore.

Lighton, Lewis F.

Mann & Hunter Lumber Co.—W. A. Parkinson.

Ryan's, Thos., Consumer's Brewing Co.—Wm. E. Sembach, Sec.

Shaver Brothers—C. A. Shaver.

Tully Broom Co.—L. H. Langdon, Tully, N. Y.

Weymer, A. F., Co.—A. F. Weymer.

Tiffin, Ohio.

Capitol Food Co., The—C. A. Jones, Pres.

Seneca Company, Inc., The—E. C. Stacy, Vice-Pres.

Toledo, Ohio.

Bissell, F., Co., The—S. H. Blinn.

Booth Column Co., The—W. S. Booth.

De Vilbiss Mfg. Co., The—F. L. Gutchess.

Gordon Mfg. Co.—Fred A. Brown.

Jones, George M., Co., The—T. B. Earl.

Northwestern Elevator & Mill Co.—Robert Himes.

Toledo Fuel Co., The—Chas. W. Donovan.

Toledo Pulp Plaster Co., The—R. L. Witters.

Vermont Slate Co., The—H. F. Rohrman.

Utica, N. Y.

Wright Candy Co.—J. G. Slawson.

Waterbury, Conn.

Waterbury National Bank, The—A. J. Blakesley, Cash.

Wichita, Kan.

Branch, V. H.

Brinker & Penney Produce Co.—W. Brinker.

Kevan-Black Bakers Supply Co., The—W. J. Kevan.

Lampf Produce Co.—Fred Lampf.

Weaver Commission Co.—E. F. Weaver.

Youngstown, Ohio.

Excelsior Building Assn., The—P. M. Kennedy.

Walker, Chas. F.

There is nothing that narrows a man's mind so much as thinking constantly of dollars and cents. There is nothing that makes a man more useful than to be broad and farsighted. Turn your eyes away from your business awhile and upon the world movements. Get the "feel" of the things that are moving. It will put you in tune with the rest of the world. It will freshen you up for your business, and it will help make your life worth living.

NOTES.

To local association members: Get the habit of writing paragraphs for your local leaflets and bulletins. You have plenty of ideas "bottled up." Make these leaflets more effective sheets by giving and sharing ideas with others. It's largely a matter of habit.

"How the Public Library Can Help Industry," was the subject of an address made before the weekly noonday meeting of the Youngstown association, held April 20th, by Anna L. Moses, librarian of the local free public library.

At the annual meeting of the El Paso Association of Credit Men held April 11th, the following officers were elected for the ensuing year: James A. Dick, of James A. Dick Co., president; S. J. Freudenthal, of S. J. Lesinsky Co., vice-president; H. M. Andreas, treasurer, and Frank Smith, secretary.

As a result of a whirlwind automobile campaign for applications for new members made by the Buffalo Association of Credit Men last month, sixty-three new members were put on the rolls in one day. This is but another illustration of the effectiveness of concentrated effort based on carefully drafted plans.

President Parsons, of the Utah Association of Credit Men, is promising to send to the Minneapolis convention his association's full quota of delegates and they will bring with them, he says, the joint invitation of the Utah association and Commercial Club of Salt Lake City that the next annual convention of the National Association be held in their city.

J. E. O'Neil, chairman of the Banking and Currency Committee of the National Association, was chairman of an informal committee of Oklahoma City credit men who entertained recently James G. Cannon, of New York, formerly president of the National Association, who stopped over in that city on his way to the Pacific Coast.

Under St. Paul notes in the April BULLETIN, brief reference was made to an address delivered before the St. Paul Association of Credit Men on the "Mercantile Balance Sheet," by H. E. Mann of Griggs, Cooper & Co. There was an error in reporting Mr. Mann's name. His initials are H. W.

At a recent meeting of the Seattle Association of Credit Men it was voted to appoint a committee of seven to work with other local organizations for a good government league the purpose of which will be to inform the public mind as to important business legislation and urge the need of good business men for legislative positions.

Advertising is as good for associations as for merchants and manufacturers. Both need it to grow. Our local associations of credit men

are finding it useful to have press agents, not necessarily paid agents, but more probably members impressed with the good of letting the public know what the associations are doing and letting it know often and with the ability to get up a readable article.

"One dishonored promise may knock down at a blow the structure which has taken years to erect. If they could but see how much easier it is to destroy than to create reputations for reliability, all men would give as constant heed to the exact performance of each and every verbal contract or engagement as most men do to those which can be enforced against them by law."

F. P. Crane, chairman of the Investigation and Prosecution Committee of the Newark Association of Credit Men, announces that his committee is at work upon a case which it is believed will result in compelling a bankrupt to disgorge about \$18,000. This together with the prosecution of the officials of the Kornit Manufacturing Company, details of which have been given in previous Bulletins, he says, will make a record for successful prosecutions in the Newark territory.

The credit men of New Jersey after a hard fought battle to secure the fire marshal law for their state have lost out. Opposition came from municipal fire chiefs and subsidiary officers and it will take considerable missionary work to impress country legislators with the necessity of a state fire prevention department. The fight for the measure will be renewed next year with a better understanding of the character of the opposition to be expected.

A practical turn is given to the effort of the El Paso Association of Credit Men to reduce fire losses by the appointment of a committee to confer with the common council of the city regarding the installation of a fire-proof pumping station for the city's protection; also by the appointment of another committee to get into clear shape the status of El Paso's fire losses with a view to presenting the facts to the public with the hope that all citizens shall be awakened to the seriousness of the heavy fire losses the city is sustaining.

Philadelphia and Pittsburgh credit men feel that prospects are bright for favorable action by the legislature upon a resolution opening the way for the establishment of municipal courts in the largest cities of the state. If such action is taken by this session the question of municipal courts will go to the people at the regular fall elections. The credit men of Pennsylvania deserve the heartiest appreciation of the people of the Keystone state in their magnificent fight for prompter, more economical and business-like administration of justice than is possible under the existing inequitable system.

Vice-president George H. Williams, of the New York Credit Men's Association, made an address before the seventeenth annual convention of the Manufacturing Perfumers Association of America held in New York during the week of April 17th. His subject was "Saving the Worthy Debtor." He declared that a very large percentage of those who fail started out with honest intentions and with no idea of cheating creditors. He urged that the way must be simplified for the embarrassed debtor to meet his creditors, because ways and means could often be found to bridge a debtor over his troubles.

In the April issue of the BULLETIN was published a letter drawn up

by the Oklahoma City Association of Credit Men to call the attention of merchants to important provisions of their policies often overlooked with disastrous results. Already ten thousand copies of this letter have been mailed by the members of the association who are in the jobbing lines. This good work is to be followed up with other letters in order that there shall be no excuse for the retailers of Oklahoma not being well informed regarding policy requirements.

The adjustment bureau of the St. Louis association has just defeated an attempt to secure a discharge in bankruptcy made by an Iowa debtor who had previously twice failed. Creditors had been so easy in letting him through before that he tried it again though guilty of concealing assets and transferring property to the hurt of creditors. The trouble in the earlier cases was that there was no co-operation among creditors and as all know, "that is the main reliance of swindlers." If creditors would give the Association's adjustment bureaus more opportunities there would be a great many more applications for discharge refused than to-day.

The Moore & Handley Hardware Company, of Birmingham, Alabama, gets out an unusually helpful "house organ" full of instruction for business men and especially for the young retailer. In the April issue its treasurer, H. W. Coffin, who is president of the Birmingham Association of Credit Men, had a very convincing article on "Are You Insured Against Fire?" which ought to stir up thought wherever this useful journal finds its way. Credit men are writing and talking insurance and fire waste as they never have before and surely something ought "to give" before long as a result.

A leading fire underwriter of Chicago, speaking of Chicago's enormous fire losses in 1910, said that the need of the day is that conservation of resources begin at home, that it is just as important to conserve the great structures of Chicago as to conserve the forests of the Rockies and that this idea has not entered into men's minds is brought out by the fact that almost 1,100 recorded fires were started in that city last year through the careless use of matches. The speaker said that sentiment must be aroused for the positive prohibition of all save the safety match within the limits of the city.

Members of the National Association of Credit Men who have had dealings with the Sprague Mercantile Agency, of Chicago; Consolidated Adjustment Co., of Chicago; Barr & Widen Mercantile Agency, St. Louis; Whitney Law Corporation, of New Bedford, Mass.; National Collection Agency, of Washington, D. C.; International Law and Collection Agency, of Dayton, Ohio; National Credit Exchange, Baltimore, Md.; Colonial Mercantile Agency, St. Louis, Mo., are requested to report the results of the same to the National Office.

As a result of a decision handed down by the United States Supreme Court during February, 1910, to the effect that a foreign corporation cannot be taxed for the privilege of carrying on business in a state by a different and more onerous method than that used by the state in taxing domestic corporations for the same privileges, and also that a state cannot require a foreign corporation to pay a fee on its entire authorized capital for the privilege of doing business within its borders when that capital represents business and property of the corporation both within and without the state, several

states, notably Alabama, Arkansas and Kansas, have amended their laws so as to tax only the capital of foreign corporations *actually employed* within the state.

Secretary Grandison, of the Buffalo association, in commenting upon Buffalo's remarkable record in membership gains during the past month has a few interesting comments to make. He says that a part of the applications arose as a result of a series of three letters sent out to a selected list, the burden of which was that the business houses outside the association are reaping great benefits for which fellow business houses are working and it was reasonable to ask them to give a helping hand in this work. The appeal touched several houses which had been worked upon for a long time. Further he declared that the activities of the different bureaus have accomplished much in creating a fertile field for attracting new members and on top of all, he said, was perfect team work such that ninety-five per cent. of the houses interviewed in the whirlwind campaign of April 13th applied for membership.

The success attending the recently organized Canadian Credit Men's Association is deserving of special notice. There seems not to be a department of credit association work in which clear progress has not been made. Legislative progress includes the passage of bulk sales acts by the legislatures of Saskatchewan and Manitoba and the amendment of the Manitoba law to overcome certain defects. The bureau of exchange of credit information, known as the "clearing house" has a membership of 172 to which it is steadily adding, an adjustment bureau is to be incorporated, a campaign to induce retailers to carry adequate insurance is in full tide and members are asked to report all cases coming under their notice in which insufficient insurance is noticeable; a uniform inquiry blank is to be adopted. The general membership numbers 250. It is quite evident the Canadian association got its start under excellent auspices and is making the most of a field calling for just such efforts as it is exerting.

As an aftermath of the scandal arising from forged cotton bills of lading which engaged the attention of the entire business world last year, comes the sentencing of three members of the cotton firm of Steele, Miller & Co., of Corinth, Mississippi, to terms of long imprisonment and additional fines. The charge was that fraudulent bills of lading were sent through the United States mail. The exposure of the methods of the concern threatened very serious complications between American and European bankers and have been the cause of months of negotiations between them. These negotiations appear to have about been concluded by the establishment of a central checking bureau for all cotton bills. Severe as the punishment prescribed by the court is, it seems justified considering the greatness of the actual loss on bogus bills, some \$7,000,000, and the fact that the confidence of foreign bankers was badly shaken in American methods which involved old cotton houses whose transactions have been for years above reproach.

If it were possible to capitalize the specific and general advantage which the fact of membership in the Association has meant to the membership in the aggregate, it would make an irresistible argument for every bank and mercantile house to take out membership. This thought is suggested by an incident just reported in Syracuse. There in a small informal way has been established the noon-day luncheon system. No at-

tempt is made at set speeches. As many Syracuse credit men as can, come together at luncheon daily. Not many weeks ago, on one of these occasions, a member divulged some information regarding a concern with which two of his associates had heavy accounts and by which his house was owed a considerable sum. The result was that there was arranged without delay an agreement whereby one was given the power of attorney for the other two and all three received their money in full. Since then the debtor has offered to general creditors a compromise. The wide-awake thing to do is to use to the utmost the facilities which come from membership in the organization. A concern very probably can get along without belonging to such an organization as the National Association of Credit Men but it can get along better and be safer if a part of it.

On March 1st a judgment was obtained against an Italian grocer in Newark by one Luzzatto in the sum of \$1,785. An execution was issued and on March 4th, all the alleged bankrupt's assets including outstanding book accounts were sold to the judgment creditor for \$1,500. On the same day a member of the Newark Association of Credit Men took the case up with the association's adjustment bureau, necessary papers were quickly prepared and filed the next day whereby a receiver was appointed for the alleged bankrupt's assets. Injunctions were obtained restraining Luzzatto, the judgment creditor from disposing of or interfering with any of the assets he had bought under his judgment. Orders were also obtained directing a brother-in-law of the bankrupt to appear at Trenton March 27th to show cause why certain goods turned over to him by the bankrupt should not be turned over to the receiver. At an argument the court directed Luzzatto to turn over to the receiver all outstanding book accounts and moneys he had collected (said book accounts amounting to \$6,000) and injunctions were continued and suits will be instituted to set aside the judgment sale and for recovering property transferred to the brother-in-law. It is just such a case as this which shows the important place occupied by the adjustment bureau conducted strictly in the interest of creditors.

In speaking of the relation between banker and customer, a prominent St. Louis banker has expressed some opinions that wide awake credit men will appreciate. "Many a worthy and solvent merchant," he says, "has been sent to his ruin by bankers whose conservatism consisted mainly of an indisposition to thoroughly and intelligently investigate the merchant's business affairs, and to note the temporary causes producing his credit congestion. The good banker appreciates the important relations he bears to the business community with which he is identified, and will not consult his own pleasure and convenience in the extension of credits, to the detriment and loss of those merchants he has accepted as customers, and with whom he has established a relationship of interdependence, the nature of which finds no parallel in other business connections. The fair-minded banker will not accept any account in which he has not full confidence, and to which he does not intend to give proper support and treatment. It accordingly follows, that a bank gets its most substantial growth through the extension of proper and fair treatment to its customers. The deposits of a bank are created largely by its loans—their interdependence is therefore very apparent. The banker who is constantly saying, 'no,' finally finds his institution in liquidation, by a steady reduction in deposits. On the other hand, the banker who has always a ready 'yes,' may find his institution bankrupt, through the loan

department because of unwisely made loans. The art of it all then, is proper discrimination in the lending of the bank's funds."

Manager Geo. E. Forrester, of the adjustment bureau of the Utah association tells of a hard fought fight for a fair distribution of assets belonging to the estate of a woman who was in business at Springville, Utah. The case became interesting way back in 1908 when the debtor went to some of her creditors to ask for an extension of time on her obligations. The creditors referred her to Mr. Forrester's bureau where a meeting was held at which the majority of the indebtedness was represented. Creditors agreed to an extension but in view of conditions told the debtor it was advisable to make an assignment to the bureau for the benefit of all creditors. She asked for time to think it over. Before leaving Salt Lake City she telephoned her banker at Springville, advising him of the outcome of the meeting, and upon her arrival home was met by the banker and his attorney who had prepared a chattel mortgage for her to sign which mortgage covered everything she owned to protect the bank's claim. The mortgage was signed, was thereupon recorded and then creditors were asked what they intended to do. The bank was unyielding and accordingly it was decided to file a petition in bankruptcy which the bank got the debtor to oppose. Adjudication was not made until the debtor had sold out all her stock and with the proceeds had paid the bank and several of the creditors in full but this left out seven creditors, three of whom were the heaviest merchandise creditors. When it came to the appointment of a trustee, the Utah association was successful and it thereupon made a demand upon the bank that it return all monies paid, nearly \$2,000. Declining to do this, a suit was filed to recover. The trustee secured a judgment and has now collected from the bank over \$2,400 representing the bank's claim, interest and costs. Most merchandise creditors who paid in full have turned back the money paid them so that a prorata distribution can be made to all creditors.

Another of our proud little American cities goes down before the fire fiend and cannot possibly regain in many years what it lost in five brief hours on April 30th. Bangor's hazard was no greater nor any less than that of hundreds of our cities, but all the circumstances were just right at the moment the fire started to encourage the spread of the flames. It is more luck than foresight that has saved many another city where conditions for conflagration are all the time as favorable as in Bangor if fire but once gets headway under the right conditions of weather. Bangor's fire like all others ought to have been stopped, to use an Hibernianism, before it began. It began in the recognized conflagration district near where were located the most concentrated values in the city, in a building of well-understood hazardous occupancy, which if equipped with interior fire protection probably of quite simple sort, or most certainly with fire sprinklers, would have resulted in a loss of \$5 by fire and \$25 by water as against losses variously estimated at from \$3,000,000 to \$6,000,000. As the National Association of Credit Men has repeatedly said, there will be no real improvement until the business men insist upon it. This Association has done much to awaken interest in the subject. It has placed in the hands of nearly every local association of credit men the reports of the engineers of the National Board of Fire Underwriters, showing what are the peculiar hazards of their respective cities, and the deficiencies in prevention and protection

which it is entirely practicable to overcome. In some cases this material has been used and improvements have been earnestly sought. In most cases, as was to be expected, the valuable material supplied our local associations has been effectually buried, and thus the men into whose hands it went have robbed themselves of the opportunity to do for their cities that which might save them from just such disasters as Bangor has suffered. To members of the Association located in cities not having local associations who desire to know what the highest expert fire engineers think of their respective cities from the point of view of needed improvements, the National office wishes to say that it probably can supply the desired information, and will be glad to be of this service. The business men of Bangor, had they exercised more foresight, could have prevented their city from getting into its present plight, and the business men of every city in the land can prevent a repetition of this sort of disaster in their own midst by getting together, studying the facts as furnished by experts, and demanding that dangerous conditions be removed. It will take time to carry out all recommendations of engineers, but in proportion as they are carried out, a city will be made safer. Finally, conflagration districts can be eliminated and the business men of no city should be willing to have it said that they have a conflagration district.

In explanation of a deduction for express charges a New Jersey manufacturer received this explanation from a little New York store:

"GENTLEMEN:

"I gave this order only to your Gentlemen to favor him told him no hurry when ever he comes to N. Y. to bring them along therefore deduct charges I said he is such a fine Gent that I must give him a order if I need them or not."

As the BULLETIN goes to press, two members report that solicitors have called on them asking for orders on a set of books declared to have been compiled under the auspices of James G. Cannon, formerly a president of this Association, and stating that they represent the National Association of Credit Men. The BULLETIN desires it known that both statements are pure fabrications, reference to both Mr. Cannon and the Association being without warrant and unbeknown to them until these members called attention thereto.

THE ASSOCIATION HAS CONSISTENTLY DECLINED TO ENDORSE ANY COMMERCIAL ENTERPRISE.

A principle which the Association has strongly adhered to from the first day it was organized, is to refuse to lend its name or endorsement to any commercial enterprise. Without going any further, our members may conclude that any seeming endorsement of this Association direct or implied which is attached to any such enterprise is unauthorized. This comment is made because the attention of the National office has been called to the literature of a certain agency in which the Association's name is referred to in a way which might convey to some minds the impression that the Association had examined and given its approval of the agency and its methods.

"RULE OF 36 : 6"

A SUGGESTION AS TO TERMS OF CASH DISCOUNT.

BY W. L. BROWNELL.

Why should not a seller offering cash discount place the buyer under reciprocal obligation? A seller offers liberal bonus, why should not the buyer pay a reasonable penalty? Why not adopt a rule of "36 : 6" and enforce it in all cases quoting terms as follows:

"Terms 30 days.

Interest at the rate of 36 per cent. per annum will be allowed for payment before 30 days.

Interest at the rate of 6 per cent. per annum will be charged after 30 days."

We here offer the equivalent of "2 off 10 days"—36 per cent. per annum. Surely if a seller will allow 36 per cent. for the use of the buyer's money, the buyer should be willing to allow the seller 6 per cent. for the use of his money.

If the seller intends to allow the equivalent of "1 off 10 days", or "1½ off 10 days", the above quoted terms can be changed to 18 : 6, or 9 : 6, respectively.

It is quite time that business men generally "sat tight" on the proposition of exacting interest from buyers continuing the use of the sellers' capital, interest free beyond the time period agreed at the time of sale that they should have the use of it—ex-interest.



MINNEHAHA FALLS (LAUGHING WATER), MINNEAPOLIS.

Get Acquainted With Minneapolis, The Next Convention City.

The Minneapolis Park system, consists of forty-three parks, twenty triangles, forty-two miles of boulevards and five lakes within the city limits. The parks contain 3,392 acres.

Minnehaha Falls has been photographed oftener than any other natural object in this country, with the possible exception of Niagara. It has been made famous in story and immortalized by Longfellow in his "Song of Hiawatha." Surrounded by one of the many beautiful parks of the city at the confluence of the Minnehaha and Riverside drives and with the Soldiers' Home in close proximity and with Minnehaha Glen below it is at once a beauty spot long to be remembered.

"And he named her from the river,
From the waterfall he named her,
Minnehaha, Laughing Water.

Was it then for heads of arrows,
Arrow-heads of chalcedony,
Arrow-heads of flint and jasper,
That my Hiawatha halted
In the land of the Dacotahs!

Was it not to see the maiden,
See the face of Laughing Water
Peeping from behind the curtain,
Hear the rustling of her garments
From behind the waving curtain,
As one sees the Minnehaha
Gleaming, glancing through the branches,
As one hears the Laughing Water
From behind its screen of branches!"

"Then the joyous Hiawatha
Cried aloud and spake in this wise:
'Beautiful is the sun, O strangers,
When you come so far to see us!
All our town in peace awaits you;
You shall enter all our wigwams,
For the hearts right hand we give you.

Never bloomed the earth so gayly,
Never shown the sun so brightly,
As to-day they shine and blossom
When you come so far to see us!"

The Minneapolis association wishes to see you at the convention in June and when your departing words have been spoken

"The Chiefs will answer saying:
We have listened to your message,
We have heard your words of wisdom,
We will think on what you tell us,
It is well for us, O brothers
That you come so far to see us!"

Notes Regarding the Forthcoming Convention.

There are a few incidental matters connected with the Minneapolis convention of June 13-16 with which we desire to acquaint all the members.

The Association's headquarters during convention week will be at Hotel Radisson and all business sessions will be held at the Orpheum Theatre in close proximity to the hotel.

The "Presidential Special" between Chicago and Minneapolis has been referred to in a previous BULLETIN. It is desired that just as many members as conveniently can, shall take this train. It leaves Chicago over the Burlington at 9 o'clock A. M., Monday, June 12th, arriving at Minneapolis at 10 o'clock P. M. There will not be a better opportunity at any time during the convention to renew friendships among fellow members or to extend acquaintances with the credit men who hail from all parts of the country east and southeast of Chicago. Reservations for the train may be applied for through O. A. Ipsen, secretary of the Chicago Association of Credit Men, 218 La Salle Street, Chicago. Members of the Association residing in towns and cities where there is no local association or in smaller local association cities are urged to arrange with the secretary of an association located in a larger nearby city to join its delegation.

There are to be no special rate concessions for the convention, but excursion tickets can be had at rates lower than regular fares from many points. The Trunk Line Association, (143 Liberty Street, New York City), has announced in connection with the convention that summer excursion fares will prevail in the district covered by its association.

Further in connection with matters of transportation, it will be interesting to members to know that Duluth credit men are anxious to have as many as possible who attend the convention visit their city, from which point the return home by the lakes route can be begun. All who intend visiting Duluth should notify W. B. Cross of F. A. Patrick & Company.

Ever since the board of directors decided upon Minneapolis for the convention of 1911 there has been the heartiest co-operation between the associations of the Twin Cities to make the convention a great success, such that all who come will feel that it was good to have been a convention delegate.

The general entertainment program as arranged by the Minneapolis association is somewhat as follows:

On the evening of Tuesday, the first day of the convention, a reception and ball will be given at the Hotel Radisson;

On Wednesday at the close of that day's sessions, automobiles will be taken to St. Paul, and a circle of the principal points of that city made. A reception and buffet luncheon will be given at the St. Paul Hotel, after which the return to Minneapolis will be made by way of Fort Snelling and through the park system of the two cities;

On Thursday there will be but one session of the convention, after which trolley cars will be taken for an afternoon and evening at Lake Minnetonka. There, boats will be taken to Big Island Park, where a picnic dinner will be served. The return to Minneapolis will be made by trolley cars at the convenience of the delegates;

On Friday night there will be a Smoker in the main dining room of the West Hotel, where a temporary stage will be erected.

There is, of course, a special program arranged for the ladies who attend the convention.

On Tuesday morning a "get-acquainted" meeting will be held at the Hotel Radisson, at which the ladies of St. Paul and Minneapolis will have the opportunity of meeting their guests, and in the afternoon of the same day an automobile trip to the Town and Country Club on the Mississippi River for afternoon tea will be made.

On the forenoon of Wednesday an automobile trip has been arranged for to the Minnehaha Club, and the return made after luncheon in time to join the men in the automobile trip to St. Paul.

On Thursday in the forenoon there will be an excursion to the Lafayette Club at Minnetonka Beach, and after luncheon there, a boat will be taken to Big Island Park in time to meet the men of the convention.

The business program of the convention will be set forth in full in the JUNE BULLETIN.

There is a special request that the National office desires to make of all members who attended either the Philadelphia or New Orleans convention, which is that they bring their official badges to the Minneapolis convention and thus reduce to that extent the considerable expense borne by the Association in providing badges.

Directory of Hotels in Minneapolis.

RADISSON—Has 40 rooms, at \$1.50 for one, or \$2.50 for two persons. Has 70 rooms with private bath, at \$2 for one, or \$3 for two. Has 240 rooms with private bath, at from \$2.50 to \$5 for one, and \$1 to \$1.50 additional for two.

DYCKMAN—Has 220 rooms with bath, at \$1.50 upward for one person, and \$1 additional for two.

WEST—Has 400 rooms at \$1 upward for one person, in rooms without bath and \$2 upward for one, in rooms with bath and \$1 additional for two in room.

NICOLLET—Has 200 rooms, at \$1 and \$1.50 for one person, and \$2 and \$2.50 for two without bath. \$2 and \$2.50 for one, and \$1 additional for two with private bath.

VENDOME—Has 180 rooms, at \$1 and \$2 for one person, and \$2 and \$3 for two, without bath; \$2.50 to \$3 for one, and \$1 additional for two with bath.

ROGERS—Has 200 rooms, at \$1 upward for one, and \$1 additional for two, without bath. \$2 upward for one with bath, and \$1 additional for two.

PLAZA—A family hotel at 1720 Hennepin Avenue. Has accommodations for 50 people. All rooms are equipped with bath.

CANFIELD—Has 60 rooms, 26 with private bath, at \$1 upward.

REVERE—Has 60 rooms, at \$1 for one, and \$1.50 for two, without bath. \$1.50 for one, and \$2.50 for two, with bath.

MAJESTIC—Has 60 rooms, at \$1 upward.

The chairman of the Hotel Committee of the Minneapolis convention is F. R. Salisbury, of Salisbury-Satterlee Co., Minneapolis, Minn. Hotel reservations should be made through him.

English and American Mercantile Agency Methods.

The March 1911 BULLETIN contained a brief study made by C. C. Robertson of St. Louis, Missouri, in which was compared the English mercantile agency system with that developed in the United States and Canada. Mr. Robertson found that the financial statement upon which is laid so much stress by American business men is entirely missing in the English reports, and hence the portion of the rating revealing pecuniary strength is not given. Mr. Robertson also found that no emphasis is placed on fire insurance, fire record, or bankruptcy particulars as in this country.

It is a pleasure to report that this article was read by the managing director of "The Credit Index, Limited" of London, England, compilers and publishers of "The Credit Guide," which contains the names of over 100,000 manufacturers, merchants and retailers in Great Britain and Ireland, with information regarding their standing. And this English mercantile agency worker has replied thereto in a letter, extracts from which are here presented:

"There could be no doubt," says the letter, "as to which method, English or American, is the more effective from the credit man's point of view, if one could but accept the personal statements which are insisted upon in America as twenty-four carat gold. Personal statements in England are always viewed with suspicion, and it is significant that even in your country well-known mercantile agencies discount the statements which they obtain from interested parties. We have seen hundreds of reports that have emanated from recognized mercantile offices, headquarters in New York, in which the latest balance sheet is usually given in detail, but never certified by a firm of chartered accountants, these balance sheets indicating a surplus say, of \$150,000, when the agency comments that the capital is estimated by well-known authorities at \$120,000.

"Now either the balance sheet is correct, and the capital is \$150,000, or the balance sheet is not correct; yet such phraseology is invariably employed in American reports, and while it may convey everything to an American credit man, it conveys nothing, even creates a suspicion to the British trained business man.

"The English business man invariably resents the request for a personal statement; to ask for it would be the height of impudence, yet competition is keen, prices accordingly, and year by year business becomes more difficult and scientific. Such an organization of credit men as you of the United States have, cooperating and exchanging opinions, undoubtedly presents the only correct method of determining the purchasing power and credit requirements of traders, but even in the States the wholesale houses and manufacturers are not unanimous, else what would be the object of the articles in your excellent monthly?

"There is one point made in your March article that does us an injustice, for our 'Credit Guide' has been published annually since 1892 and is therefore approaching its majority. The marked progress in its circulation is not due to the influx of American houses as you seem to think, but to keener competition amongst British firms. Indeed, our experience is that American houses are more difficult to convince of the advantages of a rating book than British firms.

"You lay great weight upon details of fire insurance, trade references, etc., and you might as well add amount of income tax payable, all

three items presenting favorite methods of misleading credit givers. Now, an insurance policy proves nothing. The fact that a business man is fully covered against loss by fire will not open a single credit account for him in this country; trade references are usually insisted upon in the textile trade, yet it seems strange that just in this trade the heaviest failures occur. A favorite method of the weak debtor is to nurse the accounts of two or three well known wholesale firms, paying in order to get the best discount, and then these are used as decoys to obtain credit elsewhere.

"Another serious obstacle in the credit reporting is the reluctance of most wholesale houses to give their candid opinion regarding their customers, and no amount of argument has as yet induced the largest wholesale houses to depart from methods adopted by them probably fifty years ago.

"Another trick occasionally played is accidentally to place within observation of a traveler the government receipt for income tax; the traveler with his eyes and ears open will duly report to his firm that a customer is assessed by the income tax collector at say £500 a year, ergo he must be good for credit. The experienced inquirer knows all these tricks but an unsuspecting traveler greedily swallows the bait and then there follows trouble.

"We therefore have little respect for 'personal statements.' We gather our information in other directions, and frequently see by the wisps of straw which way the wind is blowing. What we most lack in this country is what you call 'adjustment agencies' properly administered. Under the control of a committee they should prove a boon, real money savers to the wholesale houses. Unfortunately this class of business is entirely in the hands of professional accountants, sometimes instructed by the principal creditors, but mostly selected by the debtors themselves, where composition arrangements are contemplated. The realization of estates either by the accountants acting as trustees or by the official receiver in bankruptcy is frequently a source of heavy loss, the assets are slaughtered, stock in trade usually put up by public auction, book debts are neglected and costs are piled up. Here it is that we find the need for reorganization. Certain trades concentrate their adjustments in the hands of a limited number of accountants, but by no means all wholesale houses are associated in this plan. In years to come we hope that a remedy will be found for what is now generally recognized as a crying evil.

"The best remedy we have yet seen is the idea which you have put in practice in the shape of these adjustment agencies, where local officers, local men and local experience are combined to make the best of a bad job at the minimum of expense. We are always willing to learn and improve our business methods, for we freely acknowledge that Americans originate novel ideas; on the other hand you must not judge British business methods through an American microscope. The conditions are entirely different and we have the pleasure of coming into contact with a number of American firms running English establishments, counting them as our subscribers, who freely admit that American methods must be considerably modified for British use."

There is no desire to answer fully the points made by our English mercantile agency correspondent. American credit men, however, appreciate that even though a statement of its affairs given by a concern in this country is not certified to by a chartered accountant, it is still looked

upon as a most important document, especially if given on a form which has received the study accorded the statement forms issued by this Association, and is signed by a responsible representative of the house seeking credit. Indeed, credit men look upon the custom of asking and giving signed property statements as one of the greatest fruits of their cooperative work.

Reliance upon such statements is not absolute, but they make a good beginning from which to search more deeply, and especially the value of these statements becomes clear as they are received year after year for comparison. Besides, the property statement is having thrown about it more and more protection. The national bankruptcy act treats severely the offence of given a false statement for the purpose of securing credit, and the Association has made considerable progress in securing the adoption of a false statement measure in the several states the purport of such measure being to punish the making or use of false statements to obtain property or credit.

The fact that a mercantile agency or credit man estimates the net worth of a prospective debtor as less than that shown on a statement, does not condemn the statement. The latter may be perfectly honest and yet be properly subject to shading. To the owner of the concern the different asset items may be just and true, yet as a credit risk the man selling the concern goods wants to take a little more conservative view than the concern does of itself. The credit man simply asks how the prospective debtor would stand if difficult conditions of business arose.

In the matter of insurance and fire records, no such scrutiny is required in England as in the United States, for losses are at least five times as great per capita as in the first named country. Of course a good list of excellent fire insurance policies will not open an account for a concern, but even with a good showing of assets a debtor who is not impressed with the necessity of insurance will have his credit curtailed. Enough insurance in good companies is a large consideration for the credit man in this country, and will be so long as our extraordinary fire loss ratio continues at its present figures.

As we read this interesting letter we are led to the conclusion that cooperation among credit men has been much more fully developed in America than in Great Britain, and while conditions are more stable there, which probably means that there is less need of vigilance in all that pertains to credit extension, yet it would seem as if greater cooperative effort among English merchants in safeguarding accounts might well appeal to them more than it seems to.

Every bad failure has a history behind it. Traced to its ultimate causes you will find that the debtor was encouraged to believe by previous experience that his creditors would be lulled to sleep by an attractive offer of settlement. The bankruptcy law pre-supposes that the creditors will take care of their own interests, and that business men are not foolish enough to throw away their rights. No man should criticise the bankruptcy law until he has found a method for inducing creditors to perform their duty under the law.

From a Member Who Believes in Single-Handed Prosecution for Fraud, if Others will not Join.

"We note the suggestion in the BULLETIN for March, 1911," says a member, "that those who have had enough experience know that *conviction for business fraud can be secured if credit men can be gotten to join hands*, but the trouble is creditors are always ready to let the burden fall to the other man on pleas of 'It's no use,' etc.

"In this connection we thought it would be interesting to offer cases in which we have been insistent and out of which successful prosecution has come. We have, for years, been basing our credit upon personal property statements, signed by the purchaser, where possible, and also upon reports from the commercial agencies. We became indignant over the many losses sustained by us where we knew that such statements were untrue, and we determined to demonstrate the possibility of securing conviction in every case which arose. The following is our experience during the past years:

"Case No. 1. Having in our possession a mercantile agency statement of April 10, 1909, showing net assets of about \$5,000, we gave the party his usual credit on a holiday bill amounting to \$1,400. On the third of January he went into bankruptcy, showing assets of \$5,000, and liabilities of \$14,000. When filing our account in the bankruptcy court, we reserved the right to prosecute the purchaser and recover under the law of fraud as in effect in Michigan. We received through the bankruptcy court 25 per cent. dividend and in the circuit court of Michigan, secured a judgment for principal and interest and court costs amounting to \$1,107, with instructions to the sheriff to hold the body of the debtor for a specified term of years until the judgment be satisfied. We quote from our attorney's letter: 'Under the common law any action of tort brought in this state gives the successful plaintiff the right to take the body of the debtor in satisfaction of the judgment and our statutes confirm the right. You will find the same in the Michigan statute, the compiled laws, 9996 to 10009; also 10301 to 10307.' The judgment has since been settled with the assistance of the man's relatives.

"Case No. 2. Immediately after this, another Michigan house from whom we held a mercantile statement offered through attorney a settlement of 50 cents on the dollar. The attorney stated that while his client had no assets, his father would be willing to put up enough money to help him to pay this much of his obligation. A careful study of the mercantile report gave evidence that the father was an original member of this house, which was doing business under the name of the _____ Drug Company, and the young man had stated verbally during the year that the father was still a member. We, therefore, quoted the details of the suit above mentioned and served final notice of taking similar action against this house with the result that we received immediate settlement of our account.

"Case No. 3. On November 6th, an Ohio man, as agent for his wife, purchased a large bill of goods from us, giving a property statement, showing about \$3,000 net assets. Before shipping the goods we had this confirmed by a mercantile agency statement. On January 3d, this party made an assignment showing assets of \$1,000 and liabilities of \$3,000. After securing evidence that all statements rendered were false, and finding a considerable portion of the goods still in the possession of the receiver, upon our request the probate court ordered the receiver to dis-

pose of the goods, and turn over the proceeds to us. We have now filed our account for the balance due us with the reciver. In the near future, we shall individually or through the Toledo Credit Men's Association prosecute the agent for fraud.

"So far as we know, we were the only creditors who protected ourselves under the ground of fraud, with the exception of one creditor who joined us in one of the above mentioned cases. We are firmly of the conviction that every case of fraud should be prosecuted, and are urging all credit men to unite in an association for this purpose. Should this movement become universal, this class of fraud would become as rare as housebreaking.

"We believe you should continually urge that every credit association ought to have a prosecution fund. We have expended \$400 in expenses in the above cases, bearing the brunt of the entire fight alone. Had our local credit men's association joined us in the first mentioned case, between two and three thousand dollars would have been saved to their members, while the expense of prosecution would have been but slightly more than the amount paid by us alone."

Correspondence Between Two Illinois Railway Agents Providing Food for Reflection.

"Mr. —, *Agent*.

"If possible I wish you would send me a stout young man who wishes to learn Agent's work; he must be stout or he wont be able to hit the ball as we handle from two to ten thousand pounds of LCL transfer freight between the two roads daily, 223 as a rule meets 206 here, 223 taking the siding and we have quite a lot of baggage to carry across the platform. He will have about 30 bags of mail to handle daily, take check of the yards twice a day, make 62 reports and keep the station cleaned up, seal cars and assist in working the local freight trains (4).

"Hours 7 A. M. until 7 P. M., as a rule gets two hours for dinner and an hour for supper.

"Salary \$25.00 per month, board can be obtained for \$18.00 per month. If you can get hold of a young man, please send him here as soon as possible. Answer."

Reply.

"Mr. —, *Agent*.

"Your appeal of August 25th, to help you out of your difficulty, duly received.

"No, my dear Paul, we haven't got what you want. We have some similar help here, but while they are strong in more ways than one, they are weak in the head. I can get them from the Foolish House in Anna and would suggest that you write the man in authority there to send you a few.

"From what you state in your letter, you really haven't got enough work for a \$25.00 Strong Boy. I have found it bad policy to pay such exorbitant wages to a fellow of this kind. He has too much money left after paying his board, which usually brings on the gout. You know a fellow with the gout ain't much good on a freight platform.

"Sorry we haven't got what you want. Possibly you may get Mr. — to help you out."

A Question of Insurance on Stock in Hand But Not Inventoried.

Secretary Ernest L. Rhodes, of the Atlanta association, tells in recent correspondence of the adjustment of a loss account with the chief adjuster of the Southwestern Insurance Adjustment Bureau, in which was involved a question of merchandise which was on the floor, but had not been listed in the annual inventory.

The customer affected had a fire, resulting in a total loss. There had been shipped to him merchandise which had not been taken into the inventory, and hence was not shown as an asset or the invoices included under liability. The contention was that the provisions of the policy had not been complied with; that to have them covered with insurance the merchandise should have been noted in the inventory list, or, if there were reasons for doing differently, at least the fact that the goods were in the store should have been noted below the regular inventory, with the name of the houses which had shipped them in, and the total of their bills.

Another point which came out in this case was that merchandise should be invoiced at cost and a certain percentage for depreciation should be allowed, and as depreciation takes place in varying degrees for different lines, inventories should be made departmentally, so that the fact of depreciation can be intelligently handled.

The points which Mr. Rhodes makes, especially that relating to stock just coming on the floor at inventory period, are timely. Everybody knows that newly received stock, either in case or just removed therefrom, is often not noted in inventorying, and it is well to be reminded that these goods may bring disputes into fire loss adjustments.

Missing Debtors.

Those listed here are reported as missing. Any information regarding their whereabouts should be sent to the National office.

A. E. Willis, trading in paints under style of Willis & Van, Beattie, Kan. Willis said to have gone into Arkansas;

Helbert & Helbert, doing business as Texas Furniture Co., Tulsa, Okla.;

C. L. Porter, "Yankee Grinder," Los Angeles, Cal. Said to go from city to city temporarily renting a small store from which he sells cutlery goods. Said to have gone from Los Angeles to Seattle;

Rich, Wall & Company, 80 Warren St., New York City;

Mrs. E. K. Bacon, formerly residing at 143 E. Hancock Ave., Detroit, Mich.;

Louis Blom, Barnesboro, Pa.;

Dr. Charles E. Barnes, Crete, Neb.;

Dr. F. W. Weis, Chicago, Ill., and earlier of Cincinnati, O.;

A. Zoganni, Dansville, Pa.;

D. Greenstein, a peddler, formerly of Dayton, O.;

Mrs. E. Dubinsky, 305 Exeter St., Baltimore, Md.;

A. J. Lee, Talladega, Ala.;

C. P. Hoggott, Broadlands, Ill.;

W. G. Gustin, machinery buyer, Piqua, O.;

W. H. Hocking, tea business at Minneapolis, and Wenatchee, Wash., thought to have gone to California.

It's Up to You to Get Your House a Better Credit Man by Making a Better Credit Man of Yourself.

Here are some of the latest sparks from the "old man's wire." The head of the house has just grabbed the telephone transmitter—and this is what happened:

Hello! Get me the credit department. Mr. Jacobs? Yes, I do want to know about the Cadillac failure. Not so bad as reported, eh? You mean to convey a wavering hope that we've got one chance in forty of getting our money—or part of it. That's encouraging. But, say—Eh, how's that? Unjust? Hit a man when he's down? Well, maybe I am hitting you when you're down, but I'm doing it so as to make you get up and take hold again like a man, instead of getting panicky as you are.

Fact is, I wasn't going to speak about the Cadillac loss at all. What I am kicking about is not as much the loss of that eleven hundred as your loss of nerve over it which has made you turn down that new grain supply company of Oxtail Crossing. Eh? No basis for credit? Who says so? What did you really find out about those fellows? Do you know that the K. T. has made a secret shipping contract with four big ranches, and that Oxtail Crossing is the shipping point? And did anybody tell you that young Haffen, of whom the commercial agency says "was railway brakeman," is step-son of old man Wright of the K. T., and that he really steered the whole shipping job? Eh? You can't be expected to know all of this? You are expected to know it. And if you hadn't let that Cadillac loss scare you into fits, you'd have learned it just as I did. I have inside information? Don't you think it—I'm no clairvoyant. This information didn't come to me by spirit rappings or wireless. The whole story was told me by a plain man—a man who called on you two days ago. He was just busting to tell you about it. But you froze him stiff. Who? The best customer on the books—Jim Crothers of Martinville. Yes. I know. Martinville is a long way from Oxtail Crossing, but if you'll dig up your reports, you'll find that Jim Crother's wife's brother is a big rancher in Texas and he's located near Oxtail. That's the answer.

Jim came to see me after he called on you Thursday. Had his coat collar turned up, and his ears looked white, like they'd been frost-bitten. I asked him what the trouble was.

"Br-r-r-r," says he, "I just got a frost. That credit man of yours—." Then he told me the whole story. No, Jacobs, I'm not roasting. I'm showing you that you turned down the best account of your life because your sources of information, which are the basis of your credit—the tools you work with—are not as sharp as they should be. Your system of reports accurate? Yes, you've bragged about that often. If it's true, there must be something wrong with the man who runs the system, for you didn't let it tell you Jim Crother's brother-in-law lived at Oxtail Crossing. You've a reputation for tact, but your tact balked at Jim because he smells so strong of the stables. And finally, you let one blunder in the Cadillac matter lead you into a worse blunder on this account.

Get a better credit man? I'd like to, Jacobs, but I can't. That job's for you. It's up to you to get me a better credit man by making a better credit man of Mr. James Q. Jacobs, the present incumbent. Think that over. Good bye!—*Exchange*.

LEGAL BUREAU.

A manufacturer presents the following case:

"We at times have bankruptcy cases wherein the charges against the customer cover inspection and maintenance of lamps, in which cases the bulk of the charge covers labor in taking care of lamps and the balance of the charge represents material furnished in order to put the lamps in first class condition. Would these claims come under the heading of preferred claims? If it were not possible to file these claims as preferred claims, could we not file two claims, one to cover labor and the other material?"

OPINION.

The question in this case is whether the manufacturer, installer and supplier of lamps, has a right to priority out of the bankrupt estate for labor or material, or both.

Only in those states whose state statutes give priority out of insolvent estates in general to concerns furnishing supplies to manufacturing establishments, can such creditors have priority out of the bankrupt assets, such priority coming under Section 64 (b) (5) granting priority out of the bankrupt estate to such obligations as are given priority under state law. Kentucky is one of the states thus granting priority out of insolvent estates for furnishing material or supplies to manufacturing corporations. However, in such states the priority would only be granted in the event that the bankrupt were a manufacturing concern and the supplying of the lamps came within the meaning of "furnishing supplies or material to manufacturing concerns," as decided by state law.

There is no priority otherwise granted to such claims under bankruptcy law. It is evident that the inquirer had in his mind the thought that such labor might come under the bankruptcy priority of "wages of workmen, clerks or servants for services performed within three months of the filing of the bankruptcy petition, not exceeding \$300." However, such priority is only granted to the workmen, etc., of the bankrupt concern—it could not go to an independent contractor furnishing lamps and having them maintained by his own workmen.

Whilst, thus, the right of "priority" out of bankrupt estates is exceedingly limited in an instance of this kind, and probably would not be recognized in many of the states, yet the right of the manufacturer to a mechanic's lien for the furnishing of supplies and materials would be just as good in bankruptcy as it would be under state law. Thus, wherever the manufacturer would be entitled under state law to a "mechanic's lien," then he is likewise entitled in bankruptcy, provided he takes the steps required to perfect such lien under state statute.

II.

It is the duty of a telegraph company to transmit a message without delay, and upon its failure to do so it becomes liable in damages to the person injured by reason of that failure.

Of course, it is not liable for damages which are remote or speculative, but if a person has sustained a loss which could have and would have been prevented had the telegram been delivered, he may recover damages from the telegraph company.

Money paid out for a railroad trip because a telegram had not been

delivered, and which would not have been taken had the telegram been delivered, it would seem under these rules would be recoverable.

A suit could be brought either at the home town of the person claiming the damages or the town in which is situated the principle office of the telegraph company. Such suits are generally brought where the defendant has property, because as a rule, a judgment obtained in a county where the defendant has no property cannot be enforced, for the reason that there is nothing to levy execution upon.

A deposition is as effective as verbal testimony given in person in the witness box, as far as actual law is concerned. Of course, the reading of a document is not so likely to impress a jury as testimony given by a witness in person; still, as the case is decided finally, whether in a law court, or on appeal, by the law involved, a deposition to all intents and purposes is as effective as oral testimony.

III.

A merchant desiring to defraud his creditors, just before leaving town arranges with a friendly creditor to whom he owes only a small amount, to attach his place of business. The attaching creditor immediately applies to the court for a peremptory sale of the property. The debtor consents to the issuing of an order and after one or two days' advertising in an obscure paper the property is sold by the sheriff and bought in for almost nothing by the friendly creditor, the result of the transaction being that the other creditors of the merchant are defrauded.

The legal bureau commenting on this abuse says, there would seem to be no way to stop such a practice unless it were discovered before the transaction were completed, in which case an injunction could undoubtedly be secured preventing the sale; but it would also seem that the creditors could sue the one who so fraudulently attached the property and recover from him such damages as they had suffered by reason of his fraudulent act up to the amount which he had received, or possibly which he had turned over to the merchant, or which he had enabled the merchant to obtain. It is quite possible also that he could be prosecuted criminally for fraud and conspiracy. If it could be proven that the sheriff was a party to the transaction, undoubtedly he could also be sued, both civilly and criminally, and if he were under bond his bondsmen could be compelled to answer the damages found against the sheriff.

IV.

One of our members is confronted with a condition of the law of implied warranty which seems inequitable. About four years ago his house sold an outfit of machinery to a company in Alabama and accepted part cash and part notes therefor. The notes had to be sued on, and the Alabama company pleaded failure of consideration, alleging that the machinery was defective—this after using the machinery without complaint for nearly four years.

It is of interest to consider the law on this subject as laid down in various states:

The case of *Baer & Co. v. Mobile C. & B. Mfg. Co.*, reported in 49 So. Rep., page 95, was a case in which a vendor agreed to sell timber to a vendee \$10 a thousand feet for shipping culls and \$5 a thousand feet for mill culls. The timber was shipped and the vendee retained it, but

when the purchase price was claimed, set up a breach of warranty, and the court sustained him.

This case was decided under the well-known doctrine that when goods are sold by a name well known to the trade there is an implied warranty on the part of the seller that the goods as sold answer the description or name given them. The Alabama court held that even if, upon inspection, the purchaser discovered that the goods did not answer the description, and that instead of getting shipping culls he got mill culls, still he was not obliged to return the goods or to notify the seller of the breach of warranty, but could rely on his warranty when sued for the purchase price.

This is probably the law in the majority of the states of the Union. It would seem, however, that the law in New York, as laid down in the case of *Weber v. Talbot*, 167 N. Y. 48, is the more reasonable law, to wit.: that when there is an implied warranty and the purchaser, on inspection, finds that the goods are not as ordered, if he then retains the goods he has waived the breach of warranty.

Of course, this rule only applies to an *implied* warranty. If the warranty be expressed it is held generally throughout the United States that the purchaser may retain the goods and either sue for his damages by reason of the breach of warranty, or set off those damages, or set them up as a counterclaim in a suit for the purchase price.

Of course, parties to a contract of sale of this kind may overcome the difficulty pointed out in the Alabama case by contracting to the effect that if the purchaser does not immediately upon inspection notify the seller of the breach of this implied warranty, then he shall be deemed to have waived it.

The case of *Lumsford-Maxwell & Co. v. Malsby*, 101 Ga. 39, holds that on the sale of merchandise there is an implied warranty that the article is merchantable and reasonably suited to the use intended and that he knows of no latent defects undisclosed. In this particular case the purchaser was to buy a machine, provided it would do certain work. The machine was set up, and it was discovered that it would not do the work required, but in spite of this the purchaser closed the contract of sale and gave notes for the purchase price. In a suit on the notes he set up that the seller, knowing the work which he wanted the machine to do, had impliedly warranted that the machine would do that work. The court necessarily held that, as the contract was not closed until after the purchaser had found that the machine would not do that work, there could not possibly be an implied warranty that it would do the work. In other words, there being no contract whatever until after the machine had been tested the purchaser was buying the machine just as it was, with no representations whatever on the part of the seller. In all probability, did the same state of facts arise, the Alabama court would decide the same way, for this is really all that the Georgia case stands for, although there is a dictum in the case which goes considerably further.

Ten cents in stamps sent to the National office will bring you, as a member of the Association, a copy of the "Standard Fire Insurance Tables of 1911." This booklet contains statistics which set forth the standing, for ten years back, of all fire insurance companies doing business in the United States. They will help an insurer protect himself against dead or moribund companies.

ABUSES UNDER THE BANKRUPTCY LAWS.

The Appointment of Masters in Chancery.

Said a prominent credit man in a southern district, "A burden under which our people suffer is that the district judge has fallen into the habit, instead of hearing the testimony himself in a bankruptcy case, of referring the matter to a master in chancery, and this master is always the referee. The bankrupt law does not authorize the referee to make a charge for hearing testimony, but, of course, is silent as to the master in chancery, and the latter can charge what he pleases. In one case we are now fighting, he charged \$50 and has called upon the receiver to produce the money, but inasmuch as there are no assets, the receiver is unable to respond."

OPINION.

Commenting on this complaint the Bankruptcy Law Bureau of the Association says:

"One of the most venal and contemptible abuses in the administration of bankrupt estates is the practice found in some districts of appointing a special master, ordinarily the referee in bankruptcy himself, at additional expense to the estate, to perform services which are within his proper functions to perform as referee, and for which he is already paid.

"In some instances the court has appointed 'special masters' to determine the right of priority of wages claims, to determine the allowability of other claims, to fix the compensation of receivers for conducting the business of the bankrupt, and the compensation of attorneys for work done for the receiver, trustee, petitioning creditors or bankrupt—all which duties are clearly those of the referee in bankruptcy, as such, to perform and for which he receives his prescribed compensation.

"The bankruptcy act has striven, as forcibly as English words can express meaning, to prohibit the referee from 'receiving' and the court from 'allowing' him, 'in any form or guise,' 'any other or further compensation for his services than that expressly authorized and prescribed in this act.' How could the intent be expressed more clearly or more emphatically? And yet, despite these unequivocal prohibitions, there are to be found federal judges so lawless, so unconscientious, as to appoint the self-same referee, so sternly prohibited, to do referee's duties under the 'form and guise' of 'special masters,' and at additional expense to already burdened estates.

"Judges frequently profess ignorance as to when they may and when they may not appoint special masters. They *may* appoint special masters—the referees in bankruptcy as special masters if they want to do so—in those cases, and those cases alone, *where the referee in bankruptcy is prohibited from acting as such*, namely, in questions of contested adjudications on involuntary bankruptcy petitions, questions arising on the hearing of specifications in opposition to discharge or in opposition to the confirmation of composition, applications for injunctions to issue upon a state court, or a state courts officer, and questions arising on plenary petitions in independent suits filed in the district courts by trustees to recover property wrongfully transferred by the bankrupt. The referee, as referee, is debarred from acting in such cases and the judge must himself act but he is expressly permitted in such cases to appoint special masters (the referee being competent also) to consider any of the issues so raised, in accordance with the usual rules and practice of federal

courts of equity; and such special master, thus legally appointed, may then be allowed compensation. *In no other bankruptcy case may the court appoint a special master*, for there is already the duly established officer, the referee, standing by, ready at hand to perform the duty, and at a compensation fixed and prescribed by law.

"The abuse of the power of appointment of special masters to perform, at additional expense to the estates, the duties properly devolving upon the referee and for which the referee receives his statutory compensation, is an abuse which credit men must stamp out. If credit men would take up a few cases and get the opinions of the Circuit Courts of Appeal or of the Supreme Court upon them, the abuse would vanish, as does all evil when the light of day is turned unflinchingly upon it."

"Each local Credit Men's Association should gather specific instances of such abuses for the use of the National office."

An Immoral Episode with a Moral.

ACT I.

Once upon a time, there were two young men, possibly too young to know just what they were at—let us hope so. This brace of worthies came to Philadelphia and rented desk room for three months, payable in advance (and so paid), in an upper loft of a building in what had once been a business center. They next gave a "carte-blanche order," plus sufficient cash to cover its "carte-blancheness," to a prominent engraver for as handsome a letter heading as he could produce, with the result that what was unavoidably cash to them was as certainly a credit to him. From this truly elegant letter heading one might learn that Messrs. "Ketcham & Skinner" sold on commission about every kind of produce with which this bounteous earth of ours rewards the moistened foreheads of its sons of toil.

ACT II.

To a lengthy and carefully compiled list of dwellers in what, with a playful vagueness, many of us term "The West"—that land of corn, credulity, and of divers other bucolic virtues, there was sent by Messrs. Ketcham & Skinner a strictly personal letter, written with a sure enough pen, and in real ink, no fac-simile typewritten "fake" this, but a genuine "heart-to-heart" plead for consignments of grain, fruits, wool, hides, tallow, vegetables, honey, livestock, etc., on all sales of which an unprecedentedly low rate of commission was to be charged.

ACT III.

Forthwith upon these thrifty philanthropists there flowed in from every quarter a veritable torrent of produce of all sorts, and they quickly had an exceeding great store of this world's goods laid up on various railroad sidings—to linger there at "so much" per car per diem? Ah, no! quite otherwise.

Before a second moon had fairly waned, "man's inhumanity to man" had inaugurated a movement admirably well calculated to make countless thousands?—well, let it go at "mourn." As soon as the various cars arrived, their contents were sold for spot cash at about one-half of their actual value, the money, estimated at \$20,000, placed in the pouches of this enterprising pair who, as the crowning precaution, "Stole Away," and were ever after "tho' lost to sight, to mem'ry dear"—quite so.—*From the Philadelphia Record.*

The Principle of Holding Customers Strictly to the Discount Contract Taking Deep Root.

One of our members calls attention to a circular issued by W. L. Sanford, of the Sherman, Texas, hardware house of Roberts, Sanford & Taylor Company and president of the Southern Hardware Jobbers' Association, in which the abuse of taking unearned discounts is not minimized but shown in its most unpleasant light. Though much has been given in the BULLETIN on this subject, Mr. Sanford's circular is presented in order that all may take courage that the campaign against this form of commercial abuse is strengthening:

"One of the greatest abuses that has crept into trade is the habit of some merchants, both jobbers and retailers, of discounting their bills after ten days. When a merchant buys a bill of goods he understands distinctly that the terms are sixty days, and he enters into a contract to pay for the goods in sixty days. In addition to this, the seller enters into a contract with him to allow him 2 per cent. discount, provided he will pay for the goods in ten days. If he attempts to discount the bill after ten days, he is wantonly violating his contract. He has no more right to take 2 per cent. off in thirty days than he has to take 50 per cent. off, and when he does he is simply shaving his own paper, no more and no less. *This 2 per cent. is distinctly a premium awarded for the payment of the account in ten days. If the merchant does not pay the account in ten days, by what right, business or moral, can he claim the reward? That is the whole thing in a nut shell.* In settling with a bank, does he try to practice this method? If not, why should he try it on the man from whom he buys his merchandise?

"What I say has reference to the jobbers as well as to the retailers. A factory is justified in returning, and should return, the remittance where the buyer disregards the date of discount, and the jobber should do the same thing, and, I am free to say, that I pursue that policy regularly. Of course, at times, there are extenuating circumstances, and a matter of a few days might be reasonably overlooked, but the exception should not be permitted to crystallize into a rule.

"This evil has, to some extent, become prevalent on account of the manufacturer or jobber being weak-kneed or hard-up financially; but, I make bold to assert, that if such unbusiness-like methods are continued the man who is now hard-up will be very apt to remain in that condition.

"I believe in pursuing a liberal business policy: at the same time, I am opposed to the constant disregard of a well established business principle, and I will not submit to the constant violation of a well understood contract. Sometimes we lose valuable customers because we will not be imposed upon. A large patron recently quit us because we would not allow him 2 per cent. off in six weeks which don't speak well for him; and only this morning a customer discounted a bill that will be due in nine days, but the discount was not allowed. It is very embarrassing to a credit man to have to return a check, and generally it leads to unpleasant correspondence. But whose fault is it? This is a matter, the consideration of which I earnestly commend to both of the great hardware jobbers' associations and also to the retail hardware dealers' associations of the various states, and to the

manufacturers' associations. There is but one way to do business, and that is strictly on the square, and discounting a bill after the date of the discount has passed is not doing business on the square, whether it is practiced by the jobber or the retailer."

Science and Art in Business, Especially in Its Credit Side.

By W. C. HARRIS, FULTON, MISSOURI.

To my mind the organizing of great business concerns, buying, selling, assembling and distributing, figuring on supply and demand, cost of production and handling, employing successfully large corps of men is a science. Success in it requires a high order of intelligence, untiring energy and practical experience. The judging and handling of credits is all of this and more, it is an art. It requires a knowledge of all these and more. It requires a peculiar endowment or quality of mentality possessed by few. The men who can pass upon credits from the Lakes to the Gulf, from the River to the Sea, who can at the same time keep posted upon conditions in the wheat fields of the Dakotas and the plains; the cotton and boll weevil of Texas and the South; the sugar crop of Louisiana and the rice situation in Arkansas; corn conditions in Missouri, Illinois and Iowa; the price of Jack in the zinc and lead district, and oil in Kansas; looking out for labor troubles and railroad tie-ups the while, who can maintain a proper equilibrium, while being buffeted on one side by the proprietors and directors who are demanding a smaller percentage of losses and a larger percentage of profits; on the other side by the salesmen and salesmen clamoring for more liberal terms and larger lines of credit for their customers to enable them to meet competition from other cities; who can hold within proper bounds the over ambitious salesman whose energy is inspired by the goal of a larger bonus for this year, or a better contract for next, and whose zeal may or may not be tempered with knowledge, when he takes a thousand dollar order from a five hundred dollar man who has not yet cleaned up for last season's bills, and writes in that conditions in that locality were never better and the buyer is as good as gold, notwithstanding the fact that he was a little sore because you drew on him for a bill that was past due or would not let him discount a net cash bill, that, notwithstanding this he sold him, got in ahead of the other competitors, one of whom had been selling him for years and others were trying to; who can locate the big order for a new stock for the Peoples' Store, at Water Valley, Mississippi, as being from the same fellows who burned out at Medicine Lodge, Kansas, and Fort Smith, Arkansas, and afterward made a bad failure at Wichita Falls, Texas; who can judge of credits in a country he never saw, and can tell whether a man he never met is honest from policy or principle, or whether he is honest at all; who can pass intelligently and justly upon the character and ability, local surroundings, influences and possibilities of those to whom he extends credit. The man who can do all this and at the same time keep his nerves at proper tension, can wear a smile, eat heartily and sleep soundly, has in his make-up the highest quality of commercial acumen, something different from, or should I not say, something superior to that

possessed by the general run of successful men. What it is exactly cannot be defined; but it enables those who have it to develop a faculty which others have not. It may be a sixth sense, it may be intuition, but I believe you will all modestly admit that you have it and that it works.

Bankers have much in common with credit men in business, however. I sold goods for a time on credit, and never did like the credit business, then quit it and went into a business where it is all credit. We bankers are selling our commodity on a profit margin of from 4 to 8 per cent.; you are selling yours on a larger margin of profit and probably taking proportionately more risk. *Salesmen must be competitors, but credit men should all be partners. Credit men should not even try to stand alone.* To paraphrase a little: "They should share each others woes, each others burdens bear, and each should always ready be to help the other swear."

METHODS FOR OPENING A NEW ACCOUNT BY THE CREDIT DEPARTMENT.

BY VICTOR ROBERTSON, OF FINCH, VAN SLYCK & McCONVILLE,
ST. PAUL, MINNESOTA.

The first step in opening a new account is to give it a credit file. In the meantime, acknowledge the order. If the credit information demands it, ask for a statement.

Simultaneously with the opening of a credit file, make out the ledger sheet. If a loose leaf ledger is used, make it out on a typewriter, showing—state, town; if an inland town, shipping point, post office or rural delivery; name of customer, latest Dun and Bradstreet rating; credit limit; whether a first, second or third class account; kind of business and salesman. With these facts we have an index to the future handling of the account, upon the face of the ledger as the primary source of information, the credit file being supplementary thereto.

How opened? House sale, road salesman's order, mail order or request for catalogue or samples.

House sale: Dictate a summary of the interview and other information gathered for credit file and notify road salesman.

Road Salesman's Order: Acknowledge order and salesman's communication and ask for statement if necessary.

Mail Order: Acknowledge, ask for a statement if necessary and notify the salesman.

Request for Catalogue and samples: Acknowledge, and notify the salesman.

In all cases promptly notify the advertising department of the new account so that it may go on the mailing list.

Solicit and go after everybody's business. Never turn down an order.

A request for a statement may be final; if not and the account is undesirable on regular terms, then ask permission to ship c. o. d., for half cash, for cash before shipment, for guarantee, or security, giving each case such treatment as the occasion demands. The wearing-out process hurts less than a plain turn-down. There is always a possibility of filling an order on some terms, even though credit be denied.

Be dignified, courteous and considerate in correspondence. The first order is only a wedge. First impressions are vital.

Keep numerical records of first orders commencing January 1st. The last number shows continuously how many were received to date. Let the record show the state, town, name, how opened, and whether a first, second or third class account.

Twenty per cent. of all accounts show some kind of a change every twelve months. Discontinued accounts and "dry rots" must be replaced by new life or the jobber becomes a "dry rot" himself. To keep up sales and increase them, the only hope is through new accounts. Increase through old business is hopeless. Go after the new and nurse the old.

The success of every business depends largely upon the intelligent handling of new accounts.

LIABILITY OF BANK OFFICERS AND DIRECTORS.

BY N. E. HAUGEN, NATIONAL BANK EXAMINER FOR
SOUTHWESTERN IOWA.

Too many banks are wrecked on account of the liability of officers, especially officers in full charge of the bank. These unfortunate occurrences are in a majority of cases found to be in institutions where too much confidence is placed in the officers, or rather where the directors do not give sufficient attention to the details of the business of the bank in which they are interested.

As a rule, a popular, capable and trustworthy man is selected as the head of the bank. He enjoys the utmost confidence of the directors and the community, and consequently, is given practically full control of the bank. He is a man of integrity and has no intentions of defrauding the bank, yet he may be a plunger, a speculator, a man of poor judgment in his own investments, or he may live beyond his income. On account of the position he occupies, business propositions and investments which are represented to be sure and safe, and will bring large returns, are frequently being offered, and becoming imbued with the "get-rich-quick" idea, he takes the plunge. To provide funds with which to make the investment he gives his note to the bank, the note becomes due, he has not realized or may have lost in his dealings, and his only means of settlement is by renewal. With the hope of being able to make good he seeks other investments, which require additional funds, and again he borrows from the bank. This banker may not only load down the bank with his own paper, but may pledge the name and securities of firms and corporations in which he is interested in order to keep within the loan limit of his bank. This may be done with the knowledge of firms and corporations whose name he is using, or he may resort to forgery. Gradually he forgets his responsibility as trustee, and ignoring correct principles of banking and defying the law, becomes demoralized and permits the use of the bank's facilities for improper purposes and knowing that he enjoys the confidence of the directors and that they do not personally investigate his transactions, he continues in his dealings until finally the crash comes.

If there were a law or regulation, strictly enforced, requiring the directors at regular meetings to examine the liabilities of officers and

directors and corporations in which they were interested, fewer attempts would be made by officers to load down the banks with their own paper, and even where attempts were made to do so, they would not be carried to any great extent. But in the absence of specific requirements to scrutinize securities, it is possible for the officers to deceive, and the temptation is often too great, especially in cases where there is a tendency to cover up deals.

All loans to officers and directors should be made only after being authorized by the board. This would not only be a matter of protection to the bank but might be the means of preventing a bad investment on the part of an officer or a member of the board, because, as a rule, the board would know for what purpose the funds were to be used, and might be able to give information and advice that would prevent a loss.

Generally speaking directors are active, experienced business men, not only expert on credits but on signatures. They have dealings with the patrons of the bank and some amongst them would be familiar with the signatures of nearly every customer of the bank as well as their financial standing.

It is obvious then, that if directors were required under penalty to make personal examination of the liability of officers and directors and all the firms and corporations in which they were interested, to record in detail such obligations in the minute book, and were required to examine all loans held by the bank at stated times, there would be a substantial reduction in bank failures.

The directors would be better informed, not only as to the liabilities of officers and directors, but as to the business of the institution in general. They would be more interested and would appreciate their responsibilities, come closer in touch with the business of the institution, and in many ways be of valuable assistance to the bank.

The Bulk Sales Law Primarily a Rule of Evidence.

Said a Philadelphia member recently, we have been the victims in the case of sales in bulk made by certain of our customers and upon endeavoring to secure redress at law, we find that we are practically powerless to do anything. Whilst it is provided by the bulk sales act of Pennsylvania in effect March 28, 1905, that "the purchaser shall make inquiries of seller and receive a list in writing of the names and places of residence or business of all the creditors of seller; at least five days before the sale the purchaser shall notify the said creditors; otherwise the sale shall be deemed fraudulent and voidable," it seems that if any one desires to dispose of a stock of merchandise in bulk with the intent to defraud his creditors and can find anyone who is willing to become a party to the fraud, it is an extremely easy matter for the fraud to be perpetrated upon the creditors in such a manner that they will have no redress whatever. The only penalty provided by the act is for the making of a false statement by the seller to the purchaser.

It is frequently the case that when there is direct connivance between the seller and the purchaser to defraud the creditors of the seller, the purchaser will not notify the creditors of the seller and will immediately upon receiving the goods from the seller, dispose of them,

or in the case of auction houses who seem to make a business of this class of transactions, so mix the goods thus purchased with other stock that they have in their possession that it is practically impossible for any of the creditors of the seller definitely to identify and make oath that the goods so identified are the ones which were actually sold in bulk.

We have at present the case of one of our customers who is said to have disposed of her goods in bulk and whose account we have forwarded to an attorney with instructions that if impossible to collect in any other manner, he shall bring action against her under the bulk sales act of Pennsylvania. He has informed us that the debtor in question is without any financial responsibility and that it will be useless for us to bring any action against her under the bulk sales act as "it is not worth the paper upon which it is written." We have also submitted the case to our local counsel and he confirms this statement and further states that there is no way in which we can even locate the goods through the seller as she cannot be compelled to state the name of the person who bought the goods, unless we bring an action against her in a court of equity, and he is not satisfied that we could compel her to do so even then.

From what we have learned from the two attorneys in question, the only action that we have in the case of a bulk sale, except where it is shown that there has been an incorrect statement made by the seller to the purchaser, is against the stock itself and we have no recourse against the seller and purchaser individually except the same right to recover by civil action against the seller that we had prior to the time that the sale was effected. In cases of this kind, however, it is usually found upon bringing civil action against the seller that he will plead the benefit of the exemption law, and the value of his visible assets will be within that amount.

As members of the Association, we ask that you give an opinion on the bulk sales act of Pennsylvania in effect March 10, 1905, covering particularly the following:

- a. What is its value where it cannot be shown that there has been a false statement by the seller to the purchaser?
- b. What action can be brought by the creditors of the seller where the purchaser is known, but the stock cannot be located in his possession or if located cannot be positively identified?
- c. What action can be brought by the creditors of the seller where the purchaser is not known to the seller and where the location of the stock is not known to the seller?

In reply the Legal Bureau declares that it must be borne in mind that too much is not to be expected of the bulk goods act. Primarily the act simply lays down a new rule of evidence, namely that a sale of goods without compliance with the act is *prima facie* evidence of fraud, so that where before the passage of the act the burden of proving fraud was upon the person endeavoring to set aside a sale, since the passage of the act the burden of proof is changed over and is put upon the defendant who sold the goods to prove that the sale was not fraudulent. This in itself is a very great advantage, because under ordinary circumstances it is impossible for a creditor endeavoring to set aside a sale to prove fraud.

Of course, if the debtor is financially irresponsible and the person to whom he has sold the goods has disposed of them and is financially

irresponsible, the law cannot help out much, but that is true of any law. People are constantly selling goods and finding that they are unable to collect for them because the debtor is judgment proof. It would be impossible to pass a law to change such a situation.

The Pennsylvania act may be divided into two sections, the first, which declares that the sale of goods without compliance with the act makes the sale *prima facie* fraudulent, and second, a penal provision providing that if the seller willfully makes a false answer to the purchaser, or refuses to answer, that he shall be deemed guilty of a misdemeanor; and each part seems to be independent of the other.

Taking up the questions in the order asked:

(a) A creditor may set aside a sale if there has been no compliance with the act, regardless of whether a false statement has been made or not, and may compel the return of the goods by the purchaser to the debtor or his trustee in bankruptcy.

(b) If the stock cannot be located by reason of the fact that it cannot be positively identified, it would seem that the court would compel the debtor or the purchaser to whom he had sold the goods without compliance with the act, to turn over the full value of the goods in money or other property, for it should not allow a debtor and his fraudulent vendee to take advantage of their own wrong doing in disposing of property.

(c) Where the purchaser from a fraudulent debtor is not known and the property cannot be located, it would seem that if a suit were brought against the debtor alone for the value of the goods, in such suit there should be some provision under the laws of Pennsylvania for the examination of the debtor, in which he could be compelled to disclose the name of the person to whom the goods were sold, and thereupon an action could be brought under the bulk goods act against that person as well as the debtor. Certainly, if the debtor were thrown into bankruptcy, on his examination he could be compelled to state to whom he sold the goods.

As said before, the bulk goods act was never intended to enable a creditor to obtain the amount of his claim where there was no money to be had. It was simply intended to make it easier for the creditor to prove his case.

The Value of the Bulk Sales Law in Providing a Rule of Evidence in Certain Classes of Fraud Cases.

Credit men have had their attention called to a decision under the bulk sales law of New York, just handed down by Judge Ray, of the United States district court for the northern district of New York. The case involves the title of certain merchandise purchased by Frank Calvi prior to October 1, 1910 and delivered to him on credit at Delhi, N. Y. Its value was about \$2,500. When petition in bankruptcy against Frank Calvi was filed, a part of the goods were found in the possession of George Calvi at Andes, N. Y., and the remainder in the possession of Horace Infusino at Frank Calvi's former place of business.

Immediately after involuntary petition in bankruptcy was filed, a receiver of the property of Frank Calvi was appointed and an injunction issued against George Calvi and Horace Infusino enjoin-

ing and restraining them from disposing of the said goods found in their possession. The parties moved to vacate the injunction claiming to be the bona fide owners of said goods and an order thereupon was made referring the case to a special master to take proofs as to whether George Calvi and Horace Infusino had purchased of Frank Calvi merchandise found in their possession in good faith? The conclusion of the special master was that purchasers acted in good faith but Judge Ray in a carefully prepared decision took exception to the master's findings and decided that the sale in bulk act applied in such manner as to sustain the presumption that in the purchase of Frank Calvi's merchandise a fraudulent transfer had been accomplished. The case is as follows as given in Judge Ray's decision:

The facts: "Frank Calvi, an Italian, with less than \$25 in value invested in household furniture, and running a small shoe and shoe repair shop and accustomed to purchase in moderate quantities, suddenly and in the absence of any reason for such action, unless to defraud his creditors, purchases over \$3,000 worth of stock, in the main rubber goods, on credit and places them in the back room of his shop unopened. Shortly thereafter, a second cousin and former employee of Frank Calvi, one George Calvi, about 22 years of age and who two years before started with a stock which cost \$131, and who had not purchased to exceed \$350 worth of stock at any one time thereafter, and who had known Frank in Italy, and, we may assume, was intimate with him, comes to Delhi and without examination worth mentioning took over thirty of the packages of goods and paid therefor the cost price, about \$980, when it is not denied they had advanced in value 15 per cent. after being ordered. This payment was made in the shop in the evening mainly with money which up to that day had been in bank in the name of Frank Calvi and was apparently his and which George Calvi drew that day on a check given to him by Frank for the sum of \$870.14, the exact balance of Frank's account. This balance was the result of deposits made from time to time on which checks had been drawn from time to time. George Calvi, while saying that he had some \$800, mostly in cash, on his person aside from the money above mentioned, and that he intended to go to Binghamton to purchase an addition to his stock, something he had not done before, and demanded the money of Frank for that reason, admits that he had not contemplated nearly so large a purchase; that notwithstanding his objections he was induced by Frank to make this large purchase of him and increase his business; that he took these thirty cases of goods unopened and without examination, except as to one or two, and paid back the same money he drew from the bank on Frank's check. He claims that when he saw the unpaid bills for such goods he asked about it and was informed by Frank he had sent check. He made no other inquiry as to creditors if he made this. He immediately took the goods away. He says he had loaned the money to Frank from time to time and as a reason for demanding and receiving it at that time says he wanted it to purchase his additional stock with, but admits that he had enough other money and more on his person with which to purchase all the stock he contemplated buying. No similar transaction had ever taken place between them and he was informed by Frank that he and his wife did not like it in Delhi and he was going into business in New York. George Calvi knew that Frank did not do a wholesale

business and that the transaction was entirely outside the ordinary course of trade in the regular and usual prosecution of Frank's business. The Personal Property Law of the State of New York demanded that George Calvi before making such a purchase of Frank make full and explicit inquiry of Frank as to the names and addresses of each and all of his creditors five days before the purchase, and that notice by registered mail be given to each and all of them of the proposed purchase and that in default of such inquiry and notice the purchase shall be presumed fraudulent and void. There was no pretence of compliance with this statute. The transfer to George Calvi, is therefore, "presumed to be fraudulent and void" as against the creditors of Frank Calvi. It is no answer to this presumption to say a fair consideration was in fact paid. There is still the presumption that the sale and purchase were in bad faith and therefore fraudulent and void. This arises from the failure to make inquiry. There is no presumption in favor of George that he would have been misinformed. The testimony of George Calvi fails to rebut this presumption of bad faith. He admits enough to show that the burden was on him to inquire fully as to the purpose of Frank in making the sale and as to his indebtedness. Frank's statement, if made, that he intended to go into business in New York did not excuse want of full and explicit inquiry, neither does it show that George was not aiding Frank to dispose of his property, convert it into money, and go away leaving his creditors unpaid. His unnecessarily demanding his money, if Frank owed him any, shows he had no confidence in his financial ability or honesty, but tends to show he distrusted him and suspected his motives in going away. I find, however, that George Calvi stated to a witness a few days later that he, George, made no inquiry whether the goods he purchased were paid for. The very next day Horace Infusino, a former employee of Frank Calvi, a young Italian, 20 years of age, who had known Frank in Italy and who had been in the employ of Frank, appeared at the store in Delhi for the reason he had been sent for by Frank Calvi. He had been there a few days before and had, he says, offered \$650 or \$675, all the money he had, for the stock in fun, but Frank wanted \$1,500. If, as he stated at one time in his testimony, this took place a few days before he purchased, Frank offered him the entire stock worth \$2,250 to \$2,500 for \$1,500. Later he said this offer was made the day before he purchased. If so he made a very speedy purchase. In any event during the night he borrowed \$400 of Frank's shoemaker, who had, he says, more than that sum in his pocket, before he knew Frank would take less than \$1,500 so as to purchase the stock (this made \$1,075), and the next day offered \$1,000 without examining the goods or bills therefor, except as he saw some of the goods on the shelves, and Frank at once accepted. It would seem he knew that \$1,000 would take the stock and household furniture, all that Frank had. Of course he knew Frank Calvi was going away. He made no inquiry as to creditors or as to why Frank was selling out. The most of the goods were in a back room and unpacked. Then they went to the law office of a Mr. — where a bill of sale was drawn and \$1,000 in bills paid over. Mr. — and his clerk corroborates him, says that he asked Frank Calvi, 'Mr. Calvi, are you owing any parties,' and he said, 'Yes, a party in Binghamton \$25 or thereabouts.' 'Then I asked him when he was going to pay it,' and he said, 'I am going there to-morrow morning and pay him.' This was far from a full and explicit inquiry

as to the names and addresses of each and all of the creditors of Frank Calvi. It was an evasive reply on the part of Frank Calvi. It was not a statement that he did not owe others. Of course Mr. — understood it as a denial that he owned any debt other than that one. But Mr. — was not employed by Infusino and was not guarding his interests. It seems to me that this falls far short of overcoming the presumption of fraud raised by the statute quoted, especially when taken in connection with the other circumstances attending the entire transaction. To accept such a question as a 'full and explicit inquiry,' or such an answer as a sweeping assertion that he owed one debt and one only, would hardly sustain the integrity of the statute. If that had occurred in court and that question had been asked and that answer made by Frank Calvi, could he be indicted and convicted of perjury it appearing that he owes many creditors and many thousands of dollars? It is immaterial that Frank Calvi or Horace Infusino did not know the statute quoted. The law arbitrarily presumes that they did know the law, at least so far as to raise the presumption of fraud against them both and impose the burden of showing affirmatively there was no fraud, that is, knowledge express or implied that Frank Calvi intended to cheat or defraud his creditors. Infusino went into possession that night and, to his knowledge, in the night Frank Calvi packed up and at 7 or 7.30 the next morning left the town with his family and has not been seen or heard of since.

"Why such haste in the sale? Infusino says the whole transaction was completed in an hour and that he had not been in the store before he made the purchase. Why such haste to go away? Why was Infusino so acquiescent? Was or was not he a party to this departure in fraud of creditors? Again, did he examine the bills before he purchased and paid his money or afterwards? What is reasonable and probable? Again, while Infusino says he was inquiring for a business to purchase he also said, Q. 'Who first mentioned buying the business or selling out?' A. 'I did.' Q. 'You asked him?' A. 'I asked him just for fooling, I didn't want to buy his business.' He also stated more than once that up to the time they returned to the store after having been to their attorney's office he did not ask Calvi anything about what bills he owed. He concedes he made no estimate of the value of what he bought and did not open the boxes so as to know what he was getting.

"Now, a witness says that when he went to the Calvi store and found Infusino in possession, he asked Mr. Infusino where Mr. Calvi was and he said he had gone to New York. He then asked him if he had bought the goods in the store and he said he had. He then asked him if he knew whether the goods were paid for or not and he said he did not. He asked him if he had asked Calvi that question and he said no. He then asked him to let him see the goods in the back room and he refused. This is utterly inconsistent with the story of Infusino. I know of no reason for discrediting said witness. If Infusino had made an honest purchase why should he refuse to let the witness see the goods? Witness also says, 'I asked him (Infusino) regarding Calvi's shipping goods away. I asked him if he knew where they went and he said a whole truck load went to Andes; and I asked him the number of cases on that truck load and he couldn't remember, he said, thirty or forty.' Infusino denied knowledge of any sales to other parties.

"When on a given state of facts, as here, a statute, or a positive rule of the common law, says that the presumption is that the transaction was

fraudulent and void, that presumption can be overcome only by 'clear and positive' or 'plain and convincing evidence which satisfies the judicial mind beyond a reasonable controversy.' The Josefa Segunda, 5 Wheat. 338, 5 L. Ed. 104; The Carlos F. Roses, 177 U. S. 655, 44 L. Ed. 929; The Sally Magee, 3 Wall. 451, 18 L. Ed. 197; The Benito Estenger, 176 U. S. 568, 44 L. Ed. 592; Parks vs. Ross, 11 How. (U. S.) 362, 13 L. Ed. 730; Howland vs. Blake, 97 U. S. 624, 24 L. Ed. 1027. See also, Quock Ting vs. United States, 140 U. S. 417, 420, 35 L. Ed. 501.

"I regret that I cannot concur with the special master in his conclusion that the burden of overcoming the presumption of bad faith was in fact sustained by George Calvi and Infusino. I think he failed to appreciate the necessity for the presentation of clear and convincing testimony or evidence that they acted in good faith as well as that they paid a fair consideration. In fact the general tenor of much of his opinion would indicate his impressions were that the burden was on the other party to prove fraud. True fraud cannot be presumed, it must be proved. But this does not mean that the legislature cannot make a rule of evidence and provide that on a given state of facts a presumption of fraud shall arise or that a given transaction shall be presumed fraudulent and void. When that presumption does arise it obtains and controls the case until overthrown, as stated, by clear and convincing proof.

"In this case the presumption that these sales were fraudulent and void was not only not overcome but on the contrary in some respects the presumption was strengthened.

"There will be new findings in accordance with this opinion including one that the sales to George Calvi and Horace Infusino were and are fraudulent and void as to the creditors of the bankrupt, Frank Calvi, and an order accordingly."

THE RELATION BETWEEN THE SALES AND THE CREDIT DEPARTMENTS

With Some Suggestions on Certain Fundaments of Credit Which Salesmen Should Be Interested to Apply with All Customers.

By R. S. WHITE, OF AMERICAN STEEL AND WIRE COMPANY, PRESIDENT OF THE CHICAGO ASSOCIATION OF CREDIT MEN.

This is an age of specialized enterprise and endeavor. Out of this specialization have grown many problems. One of these problems, the great importance of which is coming to be very generally recognized, is the harmonizing of the various agencies or departments employed in the production and distribution of our numerous commodities. Every business employing more than one man is confronted with this problem to a degree commensurate with the magnitude of its organization.

Our subject, "The Relation Between the Sales and Credit Departments" is only one of the several branches of this general problem. In the smaller organizations, where the volume and nature of the business is such that the owner or managing official can personally direct sales and supervise credits and collections, the relation of salesman and credit man is never an issue. The question of credit exists in the smaller business and is decided, and that, too, in many instances, with less liberality than where the facilities and training of a credit specialist are available. Correspondence with the customer may be necessary, and

notwithstanding the probable great general ability and diplomacy of the correspondent, the letters written may irritate the customer to a degree that would not occur had the writer had special training or experience in the niceties of credit points and diction. If there is no division here, why should there be division where specialization makes it possible to accept all the reasonable risks and eliminate the hazardous ones with not only less friction with customers, but with net results of a greater percentage of secured orders filled and collected on?

There is no issue between sales, credits and collections. They are all part of one transaction, a unit, inseparable. A sale is not complete, in fact, is not a sale until the question of credit has been determined, the goods delivered, and to complete the transaction, the collection made. True, we employ different men and different time in the several elements of the deal, but this does not alter the basic fact of unity.

From this viewpoint of the subject, the relation between the sales department and the credit department should be so harmonious that there should be no clear alignment as to where one ends and the other begins. In short, to be logical, they should be not separate departments but merely divisions of one department, which, for the purpose of this discussion, might well be called the commercial department.

The commercial department should control sales, credits, collections, claims. These divisions should be under the direction of the same general officer or officers.

The authority of the credit manager over salesmen should be co-ordinate and coextensive with that of the sales manager, deferring to the latter only in the directing of the pursuit of orders. They should confer and agree in the fixing of terms of sales, one, from the standpoint of competition, seasonableness, etc., the other, from the standpoint of safety of the risk and the probable condition as to ready money at the maturity date, their agreements to be confirmed and their differences decided by their general officer. This co-ordination of authority between sales manager and credit manager should extend through the ranks of their assistants.

Now, let us consider for a moment the working of a commercial department organized on these lines.

The sales division, with the assistance of the salesman, locates a probable customer. The credit division outlines to the salesman what will be necessary to the acceptance from that customer of an order within certain limits on the ruling time terms. If the credit is unquestioned, as is the case in the great majority of instances, the salesman has nothing to do but secure the order. If, on the opposite hand, it is definitely predetermined that the customer can be sold on cash terms only, the salesman would not embarrass himself and complicate the situation by mentioning time terms, but would cheerfully assume the added burden of convincing the customer that cash terms are in his interest. This covers by far the largest percentage of the trade; the unquestionably good, where the salesman has nothing to do but induce the customer to buy, and the smallest percentage, the unquestionably bad, where he must also convince the customer that it is to his interest to pay cash.

Between these two extremes, there is a third class, not so large as that of the unquestionably good, much larger than that of the certainly bad. This class is made up of a very few good, who, for reasons to them sufficient, or from a mistaken idea of independence, are very secretive as to their affairs; a few who present a general appearance of being

good while in reality there is a fatal weakness in their condition, and a large number who are confessedly light financially, but are active, do a business too large for their capital, and consequently use their credit freely if not recklessly.

This middle class is the one on which the credit man expends his energies. This class is the rock on which the harmony between the sales department and the credit department breaks. Occasionally we find a credit man who puts this class among the undesirables. The salesman protests and is justified in so doing, provided he has done his part. In this class there are certainly many undesirables which must be discovered and kept out of the credit lists if losses are to be kept in reasonable bounds. Here is where the co-ordinate authority of the credit manager over the salesman is necessary to get the best results. The recognition of such authority makes the salesman give attention to the instructions of the credit man as to how he may recognize one of this class when he meets him for the first time, or before credit basis has been established; how to proceed to determine for himself the probability of an order passing on time terms, or, on the other hand, the desirability of arranging for cash terms while on the ground, and last, but not least, the passing up to the office in intelligent form of the data on which he has based his conclusions. It is to the salesman's interest as well as to the interest of his employer to assist his customer in building his business and conserving his resources. The small business to-day, if in right hands and intelligently assisted over hard places, may be the banner customer in a few years. No one can do so much in helping to this result as the salesman who has an intelligent grasp of the situation and has passed his conception along to his house, his credit manager, if you please, in such manner as to enlist the necessary assistance and support at crucial times. Without appearing or presuming to tell his customer how to run his business in general, he should advise him in regard to his own line. He should particularly see that the customer reads and understands terms, and should impress on him the importance of living up to them rigidly; and of still greater importance, the salesman should make it clear to the customer that when he finds conditions have taken such a turn as to make it necessary to have assistance, he immediately put the real situation up to his creditor with a full explanation and definite request for reasonable indulgence.

Where the salesman has such intelligent grasp of his customer's condition as to enable him to proceed along these lines, it is a simple matter to pass his knowledge along to the credit department, and when he has done so, he can rest assured that he will receive the fullest co-operation in fostering that customer.

While on this side of the subject, it may be in order to mention a few of the things a salesman should know about his customer. As to the financial side, he should know:

- Value of his active stock;
- Amount of his accounts receivable;
- Amount of his notes receivable;
- Whether such notes are for most part secured;
- Value of his business real estate;
- Value of his outside real estate and assets not active in his business;
- Indebtedness;
- How much is owing for merchandise;
- How much is owing to bank;

How much is owing for money borrowed not from bank;
Mortgages on real estate.

Of general information he should know:

Average annual sales;
Average terms on which customer buys;
Whether he discounts;
Whether he is an aggressive salesman;
Whether he makes fair profits;
Whether he is careful in extending credit, not only as to safety but
as to volume warranted by his capital;
Whether he is a good collector;
Whether his real estate or other outside assets are self sustaining;
Whether his bank or other creditors are secured, and if so, how;
If money (other than from bank), has been borrowed from relatives,
if so, on long time, or merely as temporary loan;
Whether full insurance is carried;
Whether he goes into speculations;
Or is frugal;
Has good habits;
Is regarded as honest.

The salesman should also know and periodically report crop and other industrial conditions that affect his customers' welfare.

Knowledge on all of these points is essential to the most intelligent action of the salesman. *The credit man must have it.* Why should the salesman risk the loss of a customer as is possible in case the credit man must undertake to secure by cold correspondence what the salesman could and should have secured on the ground and passed in with his order? The answer is: The salesman (1) does not realize the importance to himself and the necessity to the credit man of this information; (2) he is lazy; (3) he is afraid or uncertain of his ability.

Now let us look briefly at the other side of the subject.

The credit manager and his assistants must be diplomatic first, last, all the time. They must conciliate not only the trade but the salesman.

Where they must turn down an order, they must do it so that both the customer and the salesman will consider they are being done a favor. They must see all the unfavorable features, then bring forth the fact that all men in business *mean* to succeed and back them in such intent. They should be able to take any risk that the salesman, if in possession of the full information, would recommend and many that he would not recommend.

They should not confine themselves to mere rulings but should go out of their way to show the salesman why they *must* rule as they do.

The credit manager should require the salesman to master the rudiments of securing and analyzing credit information. In order to do this he must have recognized definite authority. After he has thus prepared the salesman for work, he should rigidly insist on the compliance with his instructions. His authority over the salesman should be as absolute, so far as his part of the work goes, as that of the sales manager.

Organize and work on these lines and there will be no friction between sales and credit departments. The salesman will recognize that his function goes further than agreeing with a customer on quantity and price and that *he represents his house*, and, being on the ground,

must do all that the interests of his house require that can be better done on the ground than from a distance.

In conclusion: Few, if any, of the business houses of the country have commercial departments organized on these lines. Many approximate the idea by having perfect accord between the general sales officer and the general financial officer. So far as the office is concerned, the team work is good, and were it not for the men in the field, all would go smoothly and no one be the wiser as to whether some good orders had been killed or some bad ones accepted where better field work would have caused rejection.

Having the office in hand, let us proceed to the education of the salesman, and, through him, the customer. Salesmen have done much to educate the trade. During the last ten years, credit men have been conducting, individually and through their associations concertedly, an educational crusade as to integrity and definiteness of terms and contracts. Let us now unite the salesman and credit man in a feature of the work to the interest of all alike, namely, the gathering and interpreting of information so that all the worthy may have credit, and assistance when needed, and at the same time losses be avoided by rejecting the unworthy.

How would we do this?

First, let the credit manager show to his general officer and the sales manager that there is no unfathomable mystery in credits; that any man of sufficient intelligence to be even a passable salesman can, if he will apply himself for a few hours, master the rudiments of gathering and analyzing credit information. Second, let the credit manager instruct each salesman in these rudiments and compel his mastering them as one of the requirements of his employment. Third, let the salesman be held rigidly to the line in this part of the work until he has gained confidence in himself and has come to realize that by doing this work he strengthens his hold on his customers and increases his value to his house. Fourth, permit no salesman to make agreements or promises not embodied in contract or report.

Progress at first may and probably will be slow. Some salesmen will get the idea and go to work intelligently at once; others will follow; some it may be necessary to discipline, but if the managers hold firm, there is no doubt as to results.

Setting the lessons alone will not be sufficient. The men must be required to learn, then apply. Insist on application and the routine is soon established. There will always be new salesmen, new customers to educate, but concerted action will certainly be effective in harmonizing and smoothing this, one of the roughest phases of our commerce.

SUGGESTIONS TO SALESMEN—HOW TO ANALYZE A STATEMENT.

First—Consider all assets that are active in the business, viz.: merchandise, accounts and notes receivable, cash, etc., and liabilities incurred against these assets, viz.: owing for merchandise, to banks, or to others for money used in the business. Generally speaking, if liabilities are in excess of 50 per cent. of assets, the business is overinvolved and likely to be unsatisfactorily slow pay. Such a condition, unless strengthened by a reserve investment in clear real estate or a specially favorable environment, calls for a very careful scanning of every contingency likely to contribute to success or failure.

Second—After considering business assets and liabilities, note the value of real estate, plant, machinery, etc., and mortgages or other liens

against the same. Clear real estate adds strength as to safety but not as to promptness in payments. On the other hand, real estate that is mortgaged is more apt to be a burden than a help to the business. Real estate against which an exemption can be claimed should be eliminated.

ENVIRONMENT, MORAL RISK, ETC.

Extending credit to a business without fair capital is a gamble, not a legitimate commercial risk. Some capital is necessary. At the same time, a certain capital too small in one man's hands, under certain circumstances and in certain environment, may in other hands under other circumstances and in different environment be ample. Herein lies the necessity for fullest information relative to character, ability, habits, environment and seasonable conditions. The salesman must gather and transmit this information.

Regarding the customer with large assets, well in hand, an established business and credit, in a prosperous locality, this knowledge need be general only. On the other hand, in dealing with those light financially, those using their credit too freely, those lax or careless in their methods, this information must be in detail and that in increasing ratio as the weakness in any feature is more apparent.

REFERENCES.

References have great value as secondary information, but very little value as a primary basis for credit. Reference information covers *what the customer has done* in the past; we are more interested in *what he may be able to do* in the near future. Reference gives information most easily obtainable; what we need is inside information harder to get. Reference tells you a man is honest. Nearly all men are honest from choice and resort to dishonest methods only in a desperate effort to save themselves after they become involved. Eliminate the dishonest, of course, when found, but do not waste time looking for them; they are too few and too widely scattered. A local bank particularly, while seldom definitely misrepresenting the case, cannot afford to jeopardize the outside credit of a customer owing it by telling all it knows.

INSURANCE.

If a merchant is found to be uninsured, he should be persuaded to insure or even forced to do so, if persuasion fails, by refusal of credit until he does. Sometimes his banker will bring necessary pressure if his attention is called to the matter. The higher the rate, the greater the necessity for insurance.

GENERAL.

Information on practically all points (except the financial statement) can be secured without direct questioning. At the same time, *the establishing of a customer's credit is a specific favor to him* and he will so see it if the matter is properly put before him. This is particularly so in the cases that call for the closest inside information, hence no hesitancy should be felt in talking straight from the shoulder when necessary. Preface direct inquiries by convincing the customer that his honesty and good intent are in no wise questioned and the rest will follow easily and naturally.

Mercantile Reports Good, But Exchange of Ledger Experience Better.

BY JOSEPH H. MANGUM OF THE MEMPHIS CREDIT MEN'S ASSOCIATION,
IN "PROFIT AND LOSS."

In granting credit we, of course, need mercantile reports. We cannot do without the agencies if the nature of our business depends largely on volume. The mercantile reports are each probably, however, the opinion of one man. They give us nothing tangible, and we would often be forced to lose, perhaps, a good customer by delay in shipping, if it were not for the system of interchange of ledger experience, which is becoming more essential each day in our mercantile life.

Besides, this system gives, in my mind, the debtor a better chance; it gives the credit man a clearer understanding as to the course he must pursue when an account has matured. It is not always an easy matter to decline a request for extension of payment; in fact, it is often very hard, and at the same time retain the good will of a customer. In my own experience in granting extension of payment, I have based my decision on the result of information obtained from the trade. The result has proven entirely satisfactory.

A close following of the ledger exchange method means reducing the ratio of loss by bad debts. Bad debts are often the aftermath of injudicious buying, over-confidence in conditions, which causes stock to accumulate and accounts to mature without funds to pay.

There is no luck in the game of selling. It is governed by a code of rules as strict as the laws of mathematics. Some good men violate the laws of buying and selling without courting immediate failure, but they cripple their capacity; they greatly discount their ability.

The credit man can greatly assist his customer in keeping him within the confines of his needs. If he then seeks credit for your line of goods from other sources, it gives time to collect the account, as the knowledge of his seeking credit will surely come through the effective system of interchange of ledger experience.

Hardware men can appreciate the infinite value of trade information by the recent failure at Corinth, Mississippi, of a firm whose liabilities were just about four times in excess of what the business demanded. Every year brings its full quota of merchants who have bought beyond their legitimate needs, or, in other than their legitimate territory. When the facts are before us, and if the debtor is known to us in the nature of an open account, our first question is, can he pay, not will he pay. Yes, miracles (we use the word sometimes for lack of one better) do happen, and again they do not. When the debris is cleared away we appreciate that the credit information file has been neglected. Why? Because yesterday this man paid his accounts satisfactorily; if the amount is small, doubtless overlooked; if medium (as most credits are), his collections perhaps a little slow, and we wait a few days longer, and without advice as to why the account has not been paid.

It should be an automatic danger signal that a matured account, after several letters have been written is ignored. It is then time for interchange reports, which so often bring to the credit man's attention unfavorable conditions and facts that would not be discovered in any other way.

Good results must inevitably follow the development of a good system, which can only reach its best degree of service through broad co-operation. Through the labyrinth of credits and collections, the ledger experience is one of the best and safest guides.

Must a Shipper Take Back Goods Lost in Transit and Later Found by the Carrier?

Merchandise is given to a railroad to be transported to the consignee. The goods were never delivered by the railroad, but six months thereafter the railroad notifies the shipper that the goods are at its station at the place of delivery and requests instructions as to what disposition to make of the merchandise. By reason of the delay of the railroad in delivering these goods the shipper loses the sale.

Under these circumstances the shipper has no right to refuse to have the merchandise returned to him. He should accept the merchandise and sue for any damages that may have been suffered by him by reason of the delay of the carrier.

The exact facts arose in the case of *Scovill, et al. vs. Griffith*, reported in 12 N. Y., p. 509. Mr. Justice Hand says at page 515, after setting out facts substantially the same as those set out above:

"This was inexcusable delay, and undoubtedly entitled the plaintiffs to all real damages sustained by them, which were the natural consequence of the neglect. But it does not follow that the plaintiffs had a right to refuse and abandon the property and recover its full value. There is no evidence of a refusal to deliver, nor, indeed, that the plaintiffs ever demanded the property or gave the defendant notice that it had not been received. They were not bound to do either to give them a right of action. But the judge could not say to the jury as matter of law that there had been a conversion; nor does it appear that the property had deteriorated in condition or had seriously depreciated in value, nor was it lost * * *"

Mr. Chief Justice Gardner in the same case, at page 518, says:

"The mere omission of the carrier to deliver property in a reasonable time is not a conversion or equivalent to a conversion * * *. The owner is entitled to a full indemnity, but not necessarily to the full value of the goods where, as in this case, they have been offered to him and refused."

It seems that in a case of this kind if the property is not injured, or if it has not deteriorated, the rate of damages will be the difference between the highest market value when or after the goods should have been delivered and when they were actually tendered. In other words, the plaintiff can show his actual damages, such as the difference between the price at which he had agreed to sell the merchandise to the consignee and the price which he is able to get for the merchandise after it has been returned to him; but he is not justified in refusing to take back the merchandise under ordinary circumstances. The law as laid down in the *Scovill* case seems to be the general law of the United States.

Certificate of Credit Endorsement.

The certificate here presented was received by the National office recently. It mystified both the party who sent it to the Association and the National office. If any BULLETIN reader can throw any light on this broad form of endorsement it will be appreciated.

(Copy)

CERTIFICATE OF CREDIT ENDORSEMENT

TO ALL WHOM THESE PRESENTS SHALL COME
GREETING

Be it known that.....of.....state
of.....has had business relations with the undersigned
which have been entirely pleasant and satisfactory.

To all MERCHANTS ASSOCIATIONS, and any others interested,
the undersigned hereby testifies to the promptness of the above party in
meeting all obligations, and recommends said party for full confidence
and credit.

In testimony whereof, witness our hand and corporate
seal this.....day of.....
Anno Domini 19....

BERNARD MAYER CO.

By A. Sturt,

This certificate authorized to be accepted by all merchants.

"CRIMINAL MATCHES."

A Single One of the Friction Variety Caused a \$300,000 Fire.

"Among the many incendiaries destroying the property of the
American nation," says Louis S. Amonson in *Insurance Engineering*,
"none is more active than the 'criminal' friction match. In Harris-
burg, Pennsylvania, a short time ago, a friction match dropped on
the floor of the cellar was stepped upon and resulted in a property
loss of nearly \$300,000.

"Had this been a safety match instead of a 'criminal' match no
fire would have occurred. In many up-to-date European countries
the 'criminal' match which ignites on anything is outlawed and
safety matches are required to be used exclusively.

"Such a law in each of the states of the Union would save to
the public and to the insurance companies millions of dollars annually.
Three hundred thousand dollars is a high price to pay for one match,
and friction matches are purchased every day in the year on that basis.

"The property loss resulting from the 'criminal' match unfor-
tunately is only a small part of the damage done. Thousands of
lives are lost; a whole army has been burned to death from the use
of friction matches. Women with their flimsy gowns are often the
victims of matches that ignite from being stepped on. The universal
use of safety matches would save thousands of lives and millions of
dollars worth of property.

"Safety matches cannot be ignited by rats or mice, by being
stepped on, by packages or boxes falling on the floor or by any one
of the numerous ways in which 'criminal' matches at present destroy
life and property. If every public spirited citizen, including agents,
managers, insurance commissioners and the press, would enlist in
this cause it would mean increased safety for life and property. The
'criminal' match should be legislated out of existence in every state
of the Union."

As a Great Foreign Banker Views Our Financial Arrangements.

Speaking to the subject "Currency Conditions in the United States" on a recent occasion, Herr Arthur von Gwinner, director of the great Deutsche Bank of Berlin, Germany, said "Your country has weathered no less than seven different currency panics. In my judgment, you will never be fully immune from a recurrence of such periodical economic disturbances until you have taken the required steps thoroughly and finally to reorganize and fix your currency system, by the establishment of a national or central bank of issue.

"If you ask me for a model for such an institution, I should recommend the Deutsche Reichsbank. It is the latest central bank of its kind and has been patterned by great governments, like Austria and Japan.

"American currency lacks elasticity. You have plenty of capital, but, when the emergency arises, too little money. I recall the time, only three years ago, when it was impossible, in your great city of Chicago, to get one hundred dollars in actual cash, on any pretext. If you presented a check, you got a check in return. This clearing house certificate phenomenon, to which your banks are accustomed to resort in times of emergency, will continue to be invoked as long as you have no great central note issue bank, clothed with power to expand and contract the currency supply at will.

"America is the land of superlatives. You have the 'biggest everything.' If it is not the biggest tree, it is the biggest stump; and, of course, therefore, you always have the biggest smashes! The last one represented a shrinkage in value of the colossal sum of five billion dollars. Your central bank, true to your reputation for superlatives, would be enabled to start out with the biggest gold reserve on earth, namely, nine hundred million dollars.

"I hesitate to offer you advice on the subject of a central bank. You will require, above all, so to shape its constitution that its control can never be secured by a clique, either of politicians or of financial magnates, who might be disposed to exploit the bank's enormous resources for private ends."

A Simple Request.

Backward, turn backward, O Time, in your flight,
Make me a boy again, just for a night.
Give me a go at the food that they fry.
Let me make bold with a green apple pie.
Then let me sink to my innocent rest,
Free from all care as to what I digest,
Confident, even in moments of pain,
That mustard or ginger will soothe me again.

Fain would I seek with a juvenile zest
The cupboard instead of the medicine chest.
And drink from the spring where the germs roam at will,
Instead of from crystal, drafts foaming or still.
Give me not wealth or the badge of the proud,
Nor a place on the platform, high over the crowd.
But give me, oh, give me, my old appetite—
Make me a boy again, just for a night!

The world is getting tired of selfishness. There is more co-operation in the world now than there ever was before. When everything is said and done, the man who conducts his business solely from a selfish point of view fails not only to grasp the larger meaning of his business, but ultimately fails in his business. The practice of medicine means social service. The practice of law means social service—or should mean so. The practice of business should mean social service. The business man contributes some advantage to the community, and the community rewards him for his service by giving him a profit. Profit without service is as wrong for the business man as it is for the doctor or the lawyer. This is coming to be the new social view.

The attention of all members is called to the fact that the Association's Monthly BULLETIN is the most direct, practical and suggestive literature on credit topics published. Credit men who believe in the progress of their work to the point of a science will want to know that the opportunity is narrowing to complete their BULLETIN files. The National office has in stock the following:

1907	BULLETIN	Indexed	5	copies.
1908	"	"	0	"
1909	"	"	11	"
1909	"	"	40	"

Any of the above copies may be had at \$1.25 delivered.

ASSOCIATION NOTES.

Baltimore.

"Baltimore, a Greater and Better City" was the theme at the April meeting of the Credit Men's Association of Baltimore when addresses were made by Tom Richardson, Charles H. Dickey, President Henry F. Baker, of the Merchants' and Manufacturers' Association and James H. Preston, democratic candidate for mayor of the city. The meeting was the most successful from point of numbers and enthusiasm ever held by the credit men of Baltimore.

President Boyd presided, felicitating the business men of the city that a movement had now been well started which was certain to result in great good to the city both as a place in which to do business and as a place in which to live. He introduced Mr. Richardson who brought out that which he felt was wrong about the city. He said that the business men of the city take life too seriously; they must play, there must be brought out the brains, the varied talent and other virtues which go to make up a really glorious city.

Mr. Dickey followed calling on all Baltimoreans who are proud of their city to get together to make it the garden spot of the world, advertise its great resources and let the world know the advantages they have.

Mr. Preston said he would do all he could, whether as a private citizen or a public servant, to give Baltimore the position to which it is entitled. He declared that he felt that the surest way to advance the city is through the establishment of manufacturing industries and the extension of the harbor system of the city.

Mr. Baker was then called upon and declared that he felt that the city was directed on its way to greatness. He told Mr. Dickey and Mr. Richardson that he could assure them of the support of Baltimore's business men in their efforts for a better and bigger municipality.

Boston.

The principal speaker at the April 21st meeting of the Boston Credit Men's Association was William A. Prendergast, comptroller of the city of New York. There was a large attendance.

Mr. Prendergast's theme was, efficiency, which he said is the watchword in private business to-day and is becoming more and more so in the conduct of public affairs, municipal, state and national. He said the cry for better methods is everywhere because better methods make better men; when it is understood that the people must have a dollar's worth of service for every dollar spent, then the inefficient official must go.

In the course of his address, Mr. Prendergast traced the growth of the credit men's organization during its first fifteen years, crediting it with having exercised a great influence in the uplifting of civic and business ethics and in the passage of important legislation, notably the national bankruptcy law, which he declared had done away with commercial pirates who used to get in first and take all a bankrupt had, leaving the rest of the creditors to nothing but lamentation.

He said it was the panic of 1893 that brought about the organization of the credit men throughout the country, and it was due to their organization and to the different basis on which business generally has since been organized that comparatively few failures occurred during the financial troubles of 1907.

The speaker maintained that the credit men's associations stand for the principle of co-operation, the principle which says: "Don't live solely for yourself, but partly for the other fellow. The man that practises co-operation with his fellows always gets as much as he gives, and often more."

Vice-president Decatur acted as toastmaster and his announcement that eighteen new members had just been taken into the organization bringing the Boston association up to 384 members or only sixteen short of the four hundred mark set for this year was received with applause.

Buffalo.

April 13th was a history making day with the Buffalo Association of Credit Men. For several weeks the members had been making their plans to devote afternoon and evening to the good of the association, first in a whirlwind campaign for new members under nine teams headed by Chairman A. E. Brock, of the Membership Committee, W. H. Rice, John J. Dolphin, W. L. Henrich, A. J. Hoefner, Philip M. Schuler, Theodore Meyers, Samuel C. Ryan and C. E. Sherer, who hurried from office to office in automobiles carrying on their canvass and second in an evening meeting at which the new members were guests and the principal speaker Joseph French Johnson, dean of Alexander Hamilton Institute of New York.

When the teams of workers appeared at the dinner with sixty-three applications for new members to show for their five hour's work, they were given a warm welcome.

A large number of prominent bankers attended the meeting to hear Dean Johnson, whose address dealt with currency reforms especially as suggested in the Aldrich proposals. Mr. Johnson said that while the United States leads the world in the production of wealth because blessed with untold resources and with a people of tremendous energy, yet in its financial arrangements, it is the weakest of all nations because a

civil war fifty years ago forced upon the nation a weak system of banks miscalled national.

"Our financial system," Dean Johnson said, "has five very serious defects: First, the currency issued by banks is inelastic and not responsive to the changing moods of business; second, our banks are local institutions, so that capital is not properly distributed; third, the banking reserve of the country is so scattered that in an emergency it is unavailable where most needed; fourth, the banking system is an organization without a head, so that it lacks co-ordination, solidarity, leadership; fifth, the assets of our banks are not liquid.

"As a result of these defects, despite the great wealth of the country, and the large amount of reserve currency carried by the banks, confidence in their solvency is easily disturbed and financial panic is always imminent.

"The banker is a dealer in credit, and the one thing absolutely essential to the safety and effectiveness of credit is confidence. Unfortunately, under our present banking system the maintenance of confidence is always difficult and in an emergency is impossible. Our banks are local institutions. Few bankers know anything about the credit of merchants in communities other than their own. Hence when a banker has more money than he can lend in his own town, he sends it to New York City, whose banks pay him two per cent. for its use. Our banking system makes it impossible for the man with the money to get in touch with the people who need it. Our banks are all independent units. Mercantile credit is local and not national."

Professor Johnson referred to the ebb and flow of money to New York and the lack of channels of communication between country banks and the artificial conditions that follow. As a remedy Mr. Johnson favored the plan proposed by Senator Aldrich.

"It aims not to give us a new banking system," he said, "but to strengthen our present system in the spots where it is weak. His plan welds the banks of the country into one powerful organization, which shall protect the national credit, give the country a practically uniform rate of interest, be able to check dangerous speculation and extension of credit and prevent panic by maintaining confidence in all sound banking institutions.

"People who object to such an institution on the ground that our experience with the Second Bank of the United States was disastrous are not talking to the point. The great bank which Andrew Jackson destroyed was not at all like the institution which Senator Aldrich proposes. The Second Bank of the United States was a private institution and a monopoly run entirely for private gain. It competed with all other banks, and the government had no voice in its management.

"Senator Aldrich proposes an institution which shall do work that existing banks do not, and cannot do, and in the management of which the government shall be effectively represented."

Chicago.

The Chicago Association of Credit Men held its fifteenth annual banquet April 17th with an unusually good list of speakers including the Rev. Wm. McElveen, of Evanston, Ill., Arthur Hawxhurst, of Marshall Field & Co., and J. Adam Bede, a member of Congress.

Mr. Hawxhurst, as custodian of the vast insurance interests of

Marshall Field & Co., is a high authority in his line, discussed the various classes of insuring companies and showed how many are the points that have to be looked after in a large business to keep it fully protected all the time and under all conditions. He showed how the great stock insurance companies are the sheet anchors of the business world.

Mr. Bede, who has the title of humorist of Congress, demonstrated that he clearly is entitled to that distinction. For a solid hour story followed after story and all were held in rapt attention by his inimitable humor.

The association had as its guests several well known men of the National Association from other cities including Chas. E. Meek, secretary and treasurer of the National Association, Harry New, its vice-president, Oscar Loeffler, of Milwaukee, and F. R. Salisbury, of Minneapolis, directors, and D. L. Sawyer, of Milwaukee, chairman of the Investigation and Prosecution Committee.

Cleveland.

More members than could be accommodated attended the April 13th noonday meeting of the Cleveland Association of Credit Men held in the new Elk's building. The topic of special interest was the "short ballot" a movement for which is in full swing in Cleveland.

John H. Clarke, general counsel of the Nickel Plate Railway, chairman of the new ballot movement was the principal speaker. Mr. Clarke put in exhibition, bulky ballot sheets such as had been used in Cleveland, Philadelphia, Los Angeles and other large cities, each containing names of from seventy-five to one hundred candidates of whom the average voter can know not more than four or five. He contrasted this condition with the "short ballot" methods of England and the continent where the voter casts his ballot for three or four men for the highest offices in a municipality, men whose character he can learn all about and upon these men he relies to pick capable men for the lower offices. The responsibility for good government in all departments is thus put right up to a few well known leading men instead of having departmental offices filled by the voters the great mass of whom have no idea what sort of men they are voting for.

W. B. Whiting, of the Cleveland bar, followed briefly in a talk on corporations showing the advantages of doing business as a corporation as against an individual or copartnership form.

Chairman Shiver, of the membership committee, exhorted all members to "Keep a Goin'" on the drive for new members.

Davenport.

The Davenport Association of Credit Men, at its meeting of April 8th, re-elected the officers who had served during the previous year except J. Q. Paddock, of Henry Dart's Sons, of Rock Island, Ill., who was elected vice-president to fill the vacancy caused by the death of J. P. Van Patten. An informal discussion regarding local credit matters followed the election.

Des Moines.

The Des Moines Credit Men's Association held one of the largest meetings in its history April 11th and a meeting marked by great enthusiasm because at last the credit men of the state had been successful in securing the enactment of the bulk sales law after having fought for it nearly a half score of years.

The legislative committee in making its report was given an ovation on the record made, for not only had it been successful in bulk sales legislation, but had secured the passage of a fire marshal law.

The principal speaker was Judge H. C. French, referee in bankruptcy for the southern district of Iowa, and W. D. Beard, a writer on accountancy.

Judge French opened his address by referring to the great service done the country by the National Association of Credit Men in fathering national bankruptcy legislation and from time to time improving it. He spoke of the merciful features of the law and urged that creditors not only be present at creditors' meetings and take part in the election of trustees but interest themselves in the disposition of bankrupt stocks to the best advantage of the estate for, he said, trustees are often unable to dispose of such stocks satisfactorily without assistance. In a discussion which followed Mr. French's address, there came up questions touching the powers and limitations of the bankrupt court, questions of fees and expenses and of frauds and how to prevent them.

Mr. Beard's address was on the relation of accounting to the credit department. He emphasized the importance of books being kept in such shape that not only a debtor's present indebtedness is shown but also a record of how he has met his obligations for a long period. Mr. Beard said that the credit man must constantly forecast the finances of his house so that purchases may be properly regulated and important policies fixed and this could not be done definitely unless the books were in shape to tell the story of customers' methods of paying accounts.

Detroit.

The regular monthly meeting of the Detroit Credit Men's Association was held April 25th. Twelve new members were reported by the Membership Committee. A debate took place on the advisability of establishing a Credit Exchange Bureau where subscribers might obtain information about the houses with which they are doing business. The affirmative of the question was taken by W. H. McBryan, D. W. C. Dobie and H. A. Eberton and the negative was taken by H. E. Annett, E. G. Wasey, G. F. W. Reid and O. A. Mant. No vote was taken at the conclusion of the debate but it was decided to give further consideration to the matter of establishing a bureau at a forthcoming meeting.

El Paso.

At the annual meeting of the El Paso Association of Credit Men held April 11th, the following were elected officers for the ensuing year: James A. Dick, president; S. J. Freudenthal, vice-president; H. M. Andreas, treasurer, and Frank Smith, secretary. Mr. Dick was elected over his protest. In a short address he told the members that for the good of the organization they must elect a new president for the coming term but the members rose as one man against any change at this time pointing to the splendid administration Mr. Dick had given and the necessity of carrying the organization along on the lines he had established.

Reports of committees followed, J. A. Krakauer for the prosecution committee reviewing several cases handled by the association and urging all members to contribute to the committee's maintenance fund. He said that he was in favor of a national prosecution fund because better results could be obtained by having a national than a local fund since it rarely happens that local creditors only are interested in a prosecution case.

Several members joined in a discussion of the work of the recently formed bureau for the exchange of credit information which Chairman Wright declared represents one of the most progressive steps taken by El Paso credit men for safeguarding credits in their field.

At the suggestion of H. B. McDowell, of the fire insurance committee, it was voted to appoint a committee to confer with the city council in regard to the building of a fire proof pumping station. Also to appoint a committee to compile for the public, statistics of fire losses during the past year in order that all citizens may get a clearer understanding of the fire losses going on around them.

W. H. Shelton spoke briefly on association progress, urging all to do what they could to bring new members into the organization. He said that already the El Paso Association of Credit Men had caused a great moral uplift in the credit conditions of the city and trade territory, that it stands in growing respect with the retailers of the El Paso market. He praised those who are responsible for the local monthly bulletin which had done much to bring about greater co-operation among members and showed how the adjustment bureau now in operation two years had so handled claims that thousands of dollars had been saved to members of the association.

Fargo.

At a meeting of the Fargo Association of Credit Men held March 21st, a discussion was had upon collections by sight drafts at the conclusion of which Roy Lewis was made the chairman of a committee to study the whole question of draft collections and report conclusions to the association. Several members made brief talks all indicating deep interest in the association's work. A committee was appointed to arrange for a large delegation for the Minneapolis convention.

Grand Rapids.

The "Adjustment Bureau" was the topic of the April meeting of the Grand Rapids Association of Credit Men, R. J. Cleland, manager of the local bureau, leading the discussion. Mr. Cleland in the course of his remarks defined the exemptions of the unmarried man who, he said, has homestead rights the same as the married man provided he has some person dependent upon him.

F. H. Suffel, manager of the Northland Knitting Company, formerly manager of the Northwestern Jobbers' Credit Bureau of Minneapolis and St. Paul followed, giving a history of that bureau. He showed how cheaply and effectively the bureau has served the credit men of the Northwest who could not now be induced to get on without it. He said it had done more than any other single force to give trading conditions there solidity. Mr. Suffel spoke in terms of high praise of the Grand Rapids bureau and deprecated the fact that so excellent an institution was given support by but a mere fraction of the local membership.

Indianapolis.

One of the most enthusiastic meetings in its history was held by the Indianapolis Association of Credit Men April 24th. The meeting took a most practical turn for up-building the Indianapolis organization, for bringing the membership up, as one member put it, to a point in keeping with the dignity of the city. As a list of concerns eligible to membership was read, different members volunteered to urge the importance of membership on them and before the meeting adjourned fifty hustling credit

men were enlisted on the Membership Committee and asked to report on their assignments within thirty days.

Kansas City.

The regular meeting of the Kansas City Association of Credit Men was held April 13th, when several applications for membership were acted upon. The chairman of the membership committee called for volunteers to solicit for new members, in order to secure a total membership of 200 by June 1st.

F. G. Murphy, of Sherwin-Williams Company, made an address on credit department methods, and O. V. Wilson entertained the meeting by recounting some of his experiences as a retail merchant in Colorado during the old stage coach days. He also brought up the bankruptcy law, his remarks precipitating an animated discussion of bankruptcy methods.

Knoxville.

The Knoxville Association of Credit Men held its annual meeting March 28th at Hotel Imperial, with fifty members and guests present.

Addresses were made by Congressman R. W. Austin and H. M. Branson, of the Knoxville bar, the former devoting attention to the general subject of bankruptcy and the latter to a new system of taxation for the state of Tennessee.

A committee was appointed to act in conjunction with the Retail Merchants' Association upon credit matters of interest to the two organizations.

The election of officers for the ensuing year resulted as follows: G. L. Price, of Daniel Briscoe & Co., was made president; Edward Henegar, of Arnold, Henegar & Dale Co., first vice-president; Rush Hazen, of Hazen & Lotspeich Co., second vice-president; George E. Bradford, of Deaver-Kennedy Co., treasurer, and Harry Wood, of Gillespie, Shields & Co., secretary.

Minneapolis.

After a discussion of convention plans at the April 18th meeting of the Minneapolis Association of Credit Men, Z. H. Thomas, vice-president of the St. Paul association made an address on "Collections and Credits." He argued for schools of credit,—meetings at which the younger credit men shall be able to meet for discussion of credit matters, these discussions not to take the place of the regular monthly meetings of the organization.

"The young man," said Mr. Thomas, "who wants to fit himself for credits must depend upon actual business experience as there are no lessons in credits, the hardest position in business life taught in the public schools. Credit work has become a science and the young man should be given the advantage of helpful meetings such as I have described, presided over by an old experienced credit man who would be able to answer some of the knotty questions that come up."

Mr. Thomas said further that a credit man does not have to be a lawyer. He advocated the establishment of a national credit clearing house.

President Leroy Bougherer, of the Minneapolis Garden Club, outlined the plans of the vacant lot gardeners of the civic celebration committee. He said by the time the credit men of the country reach Minneapolis, at least a part of the Garden Club's plans will have been perfected and the city will be glorious with its gardens of flowers.

Montgomery.

The Montgomery Association of Credit Men turned its meeting of April 18th into a celebration of the passage of the bulk sales bill by the legislature of Alabama, just adjourned, making the Hon. Frank Stollenwerck, Jr., who introduced the measure and because of whose energy the bill was passed, guest of honor.

President W. E. Pitts presided and acted as toastmaster and in a brief address told why the Montgomery Association of Credit Men had put so much energy into the fight for the bulk sales law for Alabama, a fight which had been carried on for several years and which, largely through Mr. Stollenwerck had been brought to a successful conclusion. Mr. Pitts said that the members of the association felt that he who had labored so faithfully for their measure, they wished to remember in more than simple words of appreciation. He therefore asked him to accept, as a token of gratitude from the entire association, a monogram watch fob.

In a speech of acceptance, Mr. Stollenwerck spoke on the bulk sales law, retrospective and prospective, his address indicating that he had given the deepest thought to the measure which he had advocated.

Addresses were also made by A. E. Stratton, referee in bankruptcy on "Some Needed Amendments to the Bankruptcy Law," by Nathan Lobman on "Credit Conditions of the Present as Compared to the Past," by Frank E. Cohn, president of the Business Men's League on "Fire Insurance—Its Relation to Credit," by Bernard Frank on "Credit and Credit Men," by Bruce Kennedy, secretary of the Business Men's League on "Business Co-operation," by F. G. Salter on "The National Association of Credit Men" and by Sidney J. Winter on "The Author of the Bulk Sales Law."

Newark.

At the meeting of the Newark Association of Credit Men held April 18th, the principal speaker was William S. Bennet, formerly a congressman from New York City whose subject was "Knitting Needles."

Mr. Bennet confessed that he had chosen his theme purposely to mystify his hearers. The union of nations by commerce and sentiment, he said, was like the process of knitting, by which a single thread is worked into a fabric of infinitely more resisting power than the skein from which it is created.

The speaker lauded President Taft for his efforts to insure world peace, and the sentiment was applauded. Everything, at home or abroad, he said, that tends toward stability and certainty is matter for satisfaction to credit men.

"Thirteen years ago," Mr. Bennet said, "millions in this country were urging President McKinley to war. They wanted to liberate Cuba. To-day, with troops on our border and bullets flying across the line, there is no urging of war. The president is only constrained to exercise caution and prudence.

"I believe the time will come when it will be impossible to disturb the friendly relations of any two great powers in the world by thoughts of war. People that do not know each other are united in ideals and objects. We have international congresses on humanitarian subjects in addition to the ties of commerce. These are the signs of permanent peace between nations."

Legislation of interest to credit men was discussed and it was

announced that on May 16th there would be held under the association's auspices a business man's show the object of which will be to display time saving devices, such in office forms, advanced bookkeeping schemes and other appliances used in an up-to-date office.

New Orleans.

At the March 30th luncheon of the New Orleans association, E. D. Stair, manager of the Cumberland Telephone & Telegraph Company, and R. C. Crandall, claim adjuster of the American Credit Indemnity Co., were heard. Mr. Stair's address had to do with the history of the telephone, from its infancy to the present day, and the place it has made for itself in the commercial as well as the social world. He also made a few remarks on "Telephone Courtesy." Mr. Crandall gave a few exceptionally good pointers and warnings on credits.

Sixty members of the New Orleans Credit Men's Association attended the weekly noonday luncheon held April 13th, at which E. L. Chappius made an intensely interesting address on "The Development of Louisiana's Resources."

A letter from District Attorney Adams was read, stating that his office is making strenuous efforts to convict all persons charged with the offences against the bulk sales law where evidence warrants prosecution.

Interesting talks were made by Solomon Wolff of the local bar and Thomas Ewing Dabney, United States Consul to Salvador, at the April 18th meeting of the New Orleans association. Mr. Wolff brought out the need of a change in court proceedings if credit men are to get proper attention to the collection of their claims. This he said can be brought about only through legislative enactment and credit men should co-operate to bring such legislation about.

Mr. Dabney spoke on credit conditions in Central America. He declared that integrity is high among the better class of merchants in Salvador and the merchants and manufacturers of the United States ought not be over timid in extending credit in that country for periods which for home sales seem very long. He said that it rarely happens that a merchant in Central America will fail to liquidate his indebtedness. Mr. Dabney told how he had formulated a system of rating Salvador business men all under two classifications, "A" and "A1." He said he had declined to register any whom he felt fell below the "A" classification.

Norfolk.

The revival of live stock trade in Norfolk and the establishment of a wholesale hat house among the city's enterprises were discussed at the noonday luncheon of the Norfolk Association of Credit Men held April 20th. Secretary Whichard brought up these topics first because as he stated Norfolk had suffered a severe loss when the Union Stock Yards ceased to operate there and second because among all the wholesale houses in Norfolk there was not one prepared to meet the hat requirers of buyers for the retail trade. Mr. Whichard said that this want had been brought acutely to his attention through a customer who after completing an order with his house expressed keen disappointment because he would have to get his hat requirements in some other city. Manager Williams, of the credit exchange bureau, contended that the live stock trade can be revived in the city.

Committees of five were appointed to devise means of giving Norfolk if possible, the two industries referred to. President Barbee in a brief but enthusiastic talk told the members the association was worth easily \$500 a year to him and ought to be worth to every member a great deal more than he pays into it.

Contrasting Norfolk with Atlanta, Arthur J. Morris, speaker at the April 12th luncheon of the Norfolk Association of Credit Men, gave an account of some observations he made recently while in Georgia at the Southern Commercial Congress. Atlanta he described as the most progressive city in the south.

Explaining what Atlanta has done in recent years and how it is possible for Norfolk to do as much or more, Mr. Morris said:

"Atlanta is run to-day by 200 men, representing the best that Atlanta has. The city is run as a big corporation. These directors give their money freely, not as a charity, but as an investment, for every dollar that goes out brings in two or three.

"Atlanta's 200 directors have not only taken a leading part in industrial affairs, but have gone into the political situation, electing some of their number to places on the council and putting in a business man as mayor.

"The directors have sent out committees to persuade manufacturers that Atlanta is the gateway to the south. They have induced large factories and business houses to place branches in their town and have built office buildings to care for them. As a result, there is more valuable real estate in Atlanta to-day than in any city of its size in the south. I will give you an instance: On a certain street in Atlanta, where property values were not increasing rapidly, the directors offered a \$200,000 lot to someone who would put up a \$1,000,000 office building. Each of these men went down in his own pocket and brought up a thousand dollars. But to-day that thousand dollars has brought each of them treble the amount in increased property values.

"When Atlanta's directors elected Mayor Maddox, a business man, they knew what they were about. In three years bank clearings increased 30 per cent.

Concluding, Mr. Morris was optimistic over the future of Norfolk, saying that it is just as good a town as Atlanta, and that the credit men can do the same things accomplished by Atlanta's business men. Of the Credit Men's Association, he said: "You have demonstrated remarkable ability. Let us now begin to discuss the development of Norfolk incorporated. Let this association be a nucleus for 200 men, who will work for Norfolk's advancement and development."

The association is growing steadily. It numbers more than 100 members now, and Secretary G. Sellman Williams said that the association hoped to have 200 members in the course of six months.

Omaha.

At the April 13th meeting of the Omaha Credit Men's Association, W. S. Wright, president of the Wright & Wilhelmy Company, gave an interesting talk on the parcels post. It was announced that James G. Cannon, president of the Fourth National Bank of New York, and formerly president of the National Association of Credit Men would be in Omaha May 15th, when it was hoped to secure him as a speaker for the May meeting.

Philadelphia.

The Philadelphia Credit Men's Association held its quarterly meeting April 25th with a large attendance.

Secretary Severson, in making his report, called particular attention to the growing popularity of the weekly noonday luncheons held by credit men. He insisted, however, that considering what the members could get out of these meetings there should be a much larger proportion of the entire membership regularly attending.

Reports were made by Chairman Joyce, of the Adjustment Bureau Committee showing that the bureau is in a flourishing condition and has recently undertaken several cases involving large interests and by Chairman Moody, of the Credit Exchange Bureau, who announced that this bureau had finally been organized and it had just opened that day for service. He appealed to the members generally to give it generous support. President Endy then introduced Mr. Harold Remington, of New York, who spoke upon the great services which the National Association of Credit Men is doing the country in upholding the national bankruptcy law and in endeavoring to improve its administration.

Following Mr. Remington, addresses were made by James S. Rogers and Henry Scarborough, members of the Philadelphia bar, upon the present congested condition of the lower courts of the city and of the necessity of establishing municipal courts as demanded by the Philadelphia Credit Men's Association. Resolutions were then adopted in favor of legislation now before the general assembly of Pennsylvania looking to the expedition of business before the lower courts, it being pointed out that by October next there would be 14,000 cases awaiting trial in the Common Pleas Courts, the result of this enormous business congestion being that it will take from one to three years from the time of bringing suit to the reaching of trial, with the result that great injustice is done to suitors.

James A. Ewing and Geo. Von Phul Jones, also of the Philadelphia bar, spoke to these resolutions.

The meeting closed with a short address by Charles E. Meek, secretary of the National Association.

Pittsburgh.

At the April 6th noonday luncheon of the Pittsburgh Association of Credit Men an interesting address was made by the Rev. Dr. C. M. Miller, chaplain of Western Penitentiary on "Our Duty to the Fellow who is Down and Out." He said that intemperance was the cause of incarceration of eighty-five per cent. of the men now occupying cells in his institution and in the interests of those too weak to drink without debasing their manhood, all men should give personal thought to the evils of the drink question and endeavor to solve the problems related thereto. He decried the existence of a criminal type and declared that the average citizen, clothed and surrounded by the conditions imposed upon convicts, would utterly disprove the allegations that there is such a type among us that the average citizen through imprisonment would be made to appear only such as one who is undergoing punishment. Dr. Miller urged all to obtain a broad and comprehensive understanding of economic questions touching imprisonment.

At the April 20th noonday meeting of the Pittsburgh Association of Credit Men, President William S. Miller, of the Allegheny County Bar

Association, spoke on several subjects which he said ought to arrest the earnest attention of Pittsburgh business men. He condemned the political machinery of Allegheny County and Pittsburgh which embodies the same fundamental principles as prevailed in the government of fifty years ago when Pittsburgh was not much more than a borough. He showed too how the aldermanic system is all wrong, about the worst that could be devised and the jury system as now ruling abominable.

Mr. Miller submitted statistics showing that congestion has existed for years in the local courts and this means that with the county's increase in wealth, business and population, the old court machinery was altogether broken down, a positive impediment to justice. He said that the court situation is now so bad in Pittsburgh that the constitutional guarantee of speedy trial of an issue has become a farce. Mr. Miller warmly approved the municipal court proposition and criticized the jury system because all sorts and kinds of men, otherwise unable to earn a livelihood, manage to become jurymen. One man he declared should be responsible to the courts for the jury service.

Edouard Nyssens, president of the tribunal of commerce of Antwerp, Belgium, who was in America studying commercial questions was present and told of the remarkable work for Belgium's business interests his tribunal is accomplishing. His conclusions were especially interesting. He said, "Commercial courts are a good thing. They are a necessary wheel in the wonderful machine of commerce, and I do hope that every city in the United States will soon have them. There are questions before the business men of your country, that merit the gravest consideration, and it occurs to me that to solve these questions of commerce in dispute, they should be deliberated upon by competent and experienced business men and solved in a purely commercial way. Commercial laws and commercial psychology are so different, in my opinion from civil laws, that all commercial difficulties should be settled before a commercial court."

Charles A. Stuart, of the Pennsylvania Retail Merchants' Association, outlined the efforts of the retail merchants through their association for better retail trade conditions. He said that better retail conditions would go a long way in solving many of the big problems confronting credit men.

Charles William Burrows, president of the One Cent Letter Postage Association, traced the campaign of education which his association is conducting, at the April 12th noon-day meeting of the Pittsburgh association. Mr. Burrows showed that while letter-rate mail matter is being transported at \$1,680 per ton, second-class matter, in which are included all the so-called popular magazines, is paying only \$20 per ton, which means that a business man must pay 84 cents for sending out a pound of letters, while a magazine publisher can send out a pound of advertising matter for one cent a pound. Mr. Burrows declared that this had meant that in the past ten years the government had reaped a profit of about \$500,000,000 on first-class postage and in that period had lost \$600,000,000 on second-class matter.

Mr. Burrows then analyzed the make-up of magazines, which he said is for the most part a small body of literature entirely surrounded by advertising, and much of the literature hardly of a sort to advantage its readers or the country at large. Mr. Burrows closed with an appeal to all business men as a matter of simple justice to insist that each

branch of the postal service be made in the long run self-sustaining, and as a one-cent letter rate would carry all proper charges against the first-class matter, business men ought to work for that rate.

Henry Deutsch, of the Minneapolis bar, formerly president of the Commercial Law League of America, was the principal speaker at the monthly meeting of the Pittsburgh Association of Credit Men, held April 28th. His subject was "The Credit Man and the Lawyer." Mr. Deutsch severely scored the dishonest and too clever men in commercial law practice but expressed himself as seeing a tendency toward better things both in business and in law a better appreciation of the old fashioned "Golden Rule."

Mr. Deutsch was followed by J. W. Kinnear, chairman of the Legislative Committee of the Pittsburgh Chamber of Commerce, who in a brief address on "Government" declared that the citizen who failed to do his duty in political affairs robs his family of their due.

In view of the fact that the association has been giving great thought to the improvement of the court system of its city and state, this was the principal theme of the meeting and resolutions were passed urging the government to approve a bill passed by both houses of the legislature to establish further lower courts for the county of Allegheny looking to the relief of present congested conditions. It was pointed out that under the present condition of trial lists, it takes from two to three years for a case to reach trial, which delay in many cases means a denial of justice. In addition, it affords an opportunity to the dishonest debtor, or him who has no regard for the nature of an oath, to take an appeal from a judgment recovered before an alderman and thus obtain the benefit of the delay consequent upon the case being reached for trial in the Common Pleas Courts. The act referred to provides both for a speedy disposition of the cases brought before it and for a simple method of procedure.

Portland.

At the March 15th meeting of the Portland Association of Credit Men, the program was in charge of the Credit Department Methods Committee, of which J. M. Briscoe is chairman. The committee had had set up right in the dining-room a model credit department with its proper desks, tables, files, etc. Chairman Briscoe explained the various articles composing the exhibit and told where this and that system of filing has its points of superiority. He said that a careful study led his committee to draw these conclusions:

- (1) That collection department correspondence should be kept in the credit department and not in the general files.
- (2) That upright folders be used for such correspondence and arranged alphabetically, probably by states.
- (3) That $5\frac{1}{2}'' \times 8''$ with a card-indexed folder is the most convenient for credit information and that inside the folder should be ruled a form with the same heading as the clearing house reports, so this information could be posted and preserved daily.
- (4) That the tickler and follow-up card for correspondence should be adopted by every credit man concerned in any way with collections.

The committee also had spent much time in gathering forms and out of them selected thirty-five, used by local firms, which had been transferred to lantern slides. These were thrown on a large screen and explained by Secretary Smith, of the association. Both the talks of

Mr. Briscoe and Secretary Smith aroused much interest and resulted in exchanging many ideas which are being widely adopted by the younger credit men of the city.

St. Louis.

At the April meeting of the St. Louis Association of Credit Men, President Robertson brought up the need of giving greater attention to the association's credit exchange bureau whose growth he said would mean much to the solid development of the credit men's organization. He called on Chairman Becker whose committee had charge of the bureau to tell a little of its work. Mr. Becker presented a number of letters commendatory of the bureau, told of the promptness with which the bureau handled references, and pointed out that in spite of the comparative newness of the bureau it already had over a half million references and that the splendid work it had thus far done entitled it to a much larger membership than it now has.

Professor T. S. Adams, of the department of economics of Washington University, followed on the subject "The improvement in management of municipal affairs, especially in doing away with waste." He told of the value of the municipal efficiency bureau which had been created in some cities. He described it as an institution designed to introduce into public administration such economic methods as are employed in private business. He showed how the efficiency bureau acted as a censor upon public expenditures and the acts of the public officials as no one in the public employ could and therefore the bureau must be supported by private subscriptions. The public officer looks at conditions from too close a range and is not able to suggest a remedy in the broad sense the outsider can, he said.

Professor Adams presented several startling illustrations of the application in private business of time saving methods which, he said, it is not the inclination to adopt in public business. Political leaders, he said, as a class appreciate that if public affairs were conducted as a private business, waste would be eliminated and this elimination would involve disaster to those who expect to live upon the public.

C. Porter Johnson, of the St. Louis bar, followed in an appeal to his hearers for an awakened conscience as citizens, business men and association members. He said that the great need to-day is loyalty to the great institutions which protect us and which are furthering our every interest.

St. Paul.

The April 11th meeting of the St. Paul Association of Credit Men was devoted to a review of the plans for the annual convention of the National Association of Credit Men to be held in Minneapolis next June.

The dinner, which had the color of a gathering of Twin Cities men rather than of St. Paul residents, was marked throughout by a sincere feeling of good fellowship between the two cities, which was emphasized in practically every speech. Perhaps the most characteristic words in this respect were spoken by F. J. Hopkins, who said:

"For years there has been constant talk of drawing closer together among Twin Cities business men and of the necessity that 'animosity' should pass away. I believe that between these two associations, which in their principles are practically one, there is not the slightest animosity at all, there never has been, and never will be."

J. F. Jordan, chairman of the executive committee of the convention, also expressed the hearty appreciation of the Minneapolis organization

for the support rendered by the men of the St. Paul association and asserted that this newest joint effort of Minneapolis and St. Paul business men would contribute much in making the Twin Cities greater and greater centers of American commerce.

Other speakers were F. R. Salisbury a director of the National Association, President F. E. Holton, of the Minneapolis association, W. S. Hughes, chairman of the convention entertainment committee, and T. H. Green, who was introduced by H. W. Parker who acted as toastmaster as the "dean" of the Credit Men's Association. Mr. Green's subject was the early history of St. Paul and St. Anthony now Minneapolis.

United States District Attorney C. C. Houpt made a brief address in which he urged a greater degree of honesty in business methods declaring that if the larger business men would set out to practice a high degree of honesty in all their transactions it would be but a short period before all dishonest practices were practically eliminated. Mr. Houpt's assistant, J. M. Dickey, spoke on the use of the United States mails for purposes of fraud.

Seattle.

At the March meeting of the Seattle Association of Credit Men, President J. T. Hardeman brought up the problem of securing for the port of Seattle better legislative attention to its business interests. He recommended that a committee be appointed to take up with other local organizations the question of forming a good government league whose main purpose would be to see that Seattle has representatives in the legislature in thorough sympathy and understanding with its business interests.

The Seattle Association of Credit Men held its regular monthly meeting April 17th. After hearing reports from the chairmen of committees a discussion of trade conditions and possibilities in the Hawaiian Islands was had.

E. G. Anderson, president of the Western Dry Goods Company of Seattle, who had just returned from a visit there, gave a description of the islands, of their magnificent scenery, mode of living and methods of business. Government statistics were read to show population and kind and volume of business done with the islands. Mr. Anderson said that while Seattle had not gotten its share of this business, the people there have a friendly feeling for the merchants of Seattle and a large trade can be established if properly gone after.

Another speaker was E. R. Adams, of Alexander & Baldwin, owners of large sugar plantations and factories in Hawaii. Mr. Adams who buys for a large number of stores in the islands said that while San Francisco had the hold on the island trade at present, he believed it was only a question of Seattle going after the business to get its fair share.

Like expressions were made by S. T. Hills, of F. S. Harmon & Co., and W. L. Belger, of the Seattle Hardware Company, who had visited Honolulu.

The membership committee reported that its plans were matured for an active campaign for new members by which it was hoped to bring Seattle up to the three hundred mark before convention time.

Syracuse.

Fire insurance and protection were the topics discussed at the meeting of the Syracuse Association of Credit Men held April 11th. The principal speakers were H. W. Greenland and Secretary Chas. E. Meek, of the National Association.

Mr. Greenland's subject was the importance of adequate insurance to protect credit and Mr. Meek spoke on the duty of Syracuse business men to give due consideration to the protection of their city against the fire hazard. He gave the highest praise to the work of the National Fire Protection Association whose investigations into fire causes through their laboratory tests are doing much to awaken interest in a question than which there is none more important.

"When a man has bought an insurance policy," said Mr. Meek, "he feels that he has paid money for protection. But insurance is really a tax on property. Syracuse is still paying her share of the loss in San Francisco, Baltimore and other cities. I sometimes think that the European rule is a good one. There if a fire in your building spreads to your neighbors you are responsible. It tends to make every one more careful." Mr. Meek referred to annual reports relating to fires. In Syracuse in five years, he said, the loss has been \$1,046,000, or \$1.70 per capita of population. This he regarded as a moderate figure. The cost of the fire department has been \$1.70 per capita. He did not consider that Syracuse has enough firemen.

Tacoma.

The regular monthly meeting of the Tacoma Association of Credit Men was held April 11th, with excellent attendance. The main subject considered was the "Improvement of Association Methods," which brought up questions of greater co-operation, greater persistency in demanding payment of accounts at maturity and the use of notes in cases where accounts are not closed on due dates.

Toledo.

The April meeting of the Toledo Association of Credit Men was devoted to a discussion of means of prosecuting fraudulent transfers in failure cases. President Charles F. Weiler presided, and in a brief address stated that from personal investigation he had found that in the last four years fraudulent conveyances had been increasing from 8 to 12 per cent. of the total number of failures.

He said it was only strict vigilance on the part of the credit men that could stop flagrant violations of the law and materially decrease fraud, and to better conditions, he said, the officers of the association were considering the creation of a commission whose duty it would be to run down and prosecute all cases of fraud coming to the attention of members. A fund of \$5,000, he said, was contemplated, with which to meet necessary expenses.

Wilmington.

Wm. A. Prendergast, Comptroller of the City of New York, and Charles E. Meek, Secretary-Treasurer of the National Association of Credit Men were guests of the Wilmington association at its meeting of April 28th. A reception given by President L. B. Rogers, of the Wilmington association preceded a dinner at which Charles N. Evans, of the Southern National Bank presided.

Mr. Meek was the first speaker at the dinner, his subject being "The Fire Prevention Work of the National Association." He showed how fire losses have a retarding influence upon general business progress and pointed out how the harm which comes to a concern in suffering heavily from fire is reflected in many branches of the business world. Mr. Meek discussed a few of the more common causes of fire and pointed out the weaknesses and the strength of the fire hazard situation in the city of Wilmington.

Mr. Prendergast's theme was "Municipal Government." He declared that the three evils to be most guarded against in municipal affairs are incompetent officers, introduction of state and national politics into city affairs, and legislative control of city matters. Each of these points was discussed in detail by the speaker. With reference to the first evil, the speaker contended that danger from such a source would be eliminated through the selection of proper city officials and holding them to strict accountability. He declared that the introduction of state and national issues in local politics is more common in the north than in the south. The remedy for such a condition, he declared, is to hold the controlling party accountable and to demand that a good order of things prevail. The speaker also discussed the evils which follow when state legislatures seek to legislate for, and to control, city governments. To have good government, declared the speaker, you must have non-interference from the outside. He pertinently remarked that a state should attend to its own affairs and allow the city to do likewise. The speaker referred to the great progress during the past ten years in municipal government and cited a number of cities which have prospered and gone forward under improved governmental conditions. The commission plan of government was entertainingly discussed by the speaker. He named a number of places where this form is meeting with great success. He then discussed the duty of an office holder and the sacredness of the trust which election to office should impose.

WANTS.

HIGH CLASS CREDIT AND COLLECTION MANAGER, 36 years of age, desires to make a change; several years' experience in accounting including cost accounting, office management, handling credits and collections, and in charge of finances of large manufacturing and wholesale business. Best of references can be given. Satisfactory reasons for wishing to leave present position. Location immaterial. Address D. C. A., care Chas. E. Meek, 41 Park Row, New York, N. Y.

A MAN, with over fifteen years of thorough-going experience in credits, collection, business systematizing, methods and policy, desires to make a change which offers a large field of development in the credit profession. Has been active in credit, business and civic matters of a public nature for years in New York City, and can provide the best of references as to ability, integrity, character and social standing. Address O. P., care Chas. E. Meek, 41 Park Row, New York, N. Y.

FOR SALE—In Chicago—one of the best known mercantile agencies in the Middle West, established for years and doing a large and active business with leading houses. An especially good opportunity for a credit man or business man with knowledge of credits. Best of reason for selling. Price \$12,500. If interested address, Mercantile Agency, care Chas. E. Meek, 41 Park Row, New York, N. Y.

ASSISTANT CREDIT MAN AND OFFICE MANAGER now employed by large manufacturing concern, experienced in accounting including office management, handling credits, collections, etc., desires position in New York where a steady, reliable and industrious man can have a good field for development. Good reasons for changing and can furnish highest references as to character, ability and training. Address C. G. C., care Chas. E. Meek, 41 Park Row, New York, N. Y.

CREDIT MAN AND MANAGER—Married, age 31, fourteen years' experience in banking and mercantile lines. For the past two years credit man and manager of a large mercantile bank. Is looking for a position as credit man in a large mercantile or banking institution either in New York City or out of town. Salary no object if with the right house. Applicant is an accurate accountant, can handle large force of employees, and is also well known in the cloak, suit, skirt, clothing and shirt waist trades. The best of references will be furnished. Address S. I. V., care Chas. E. Meek, 41 Park Row, New York, N. Y.

WANTED—A-1 Credit Man. One who has exceptional ability and experience with Southern trade preferred. Excellent opportunity for advancement to the right man. All applications will be considered strictly confidential. State full particulars. Address "Confidential," Baltimore Bargain House, Baltimore, Md.

POSITION WANTED—By hustling young man as office, sales, credit or collection manager with small, growing concern, or assistant with large one. Now assistant manager, having entire charge of credits and collections and closely associated with selling end of business in medium sized manufacturing company, selling direct to consumers and through jobbers. Capable correspondent, possessing executive ability and knowledge of accounting. Not afraid of work. Eight years' business experience—college education. Highest credentials from present and past employers. Expectations moderate until ability and worth have been conclusively proven. Address Energetic, care Chas. E. Meek, 41 Park Row, New York, N. Y.

AN EXPERIENCED CREDIT MAN desires a good position. Has had over twenty years of thorough going experience in credits and collections with a large commercial house in New York City and can provide the best of references as to ability and integrity. Address H. C., care Chas. E. Meek, 41 Park Row, New York, N. Y.

CONNECTION DESIRED—By young man, twenty-nine years of age, with ten years experience as treasurer and credit man for large manufacturing corporation in Middle and Southern States, either with large concern on salary basis, or to purchase interest in smaller partnership or stock company and become actively connected therewith. A. B. T., care Chas. E. Meek, 41 Park Row, New York, N. Y.

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- NEW ORLEANS, La.—W. C. Lovejoy, Mgr., 607-609 Canal, La. Bank Building.
- NORFOLK, Va.—G. Sellman Williams, Mgr., 211-212 Monticello Arcade Building.
- PHILADELPHIA, Pa.—Edmund S. Mills, Mgr., Room 801, 1011 Chestnut Street.
- PITTSBURGH, Pa.—A. C. Ellis, Mgr., Renshaw Building.
- PORTLAND, Ore.—R. L. Sabin, Mgr., Merchants' Protective Association, 7 First Street.
- PUEBLO, Colo.—E. C. Abel, Mgr., 501 Court Street.
- RICHMOND, Va.—Geo. B. Wilson, Mgr., 1113 East Main Street.
- ST. LOUIS, Mo.—A. H. Foote, Mgr., 600 Security Building.
- ST. PAUL, Minn.—J. P. Galbraith, Mgr., 501-508 Endicott Building.
- SALT LAKE CITY, Utah—Walter Wright, Mgr., P. O. Box 419.
- SAN DIEGO, Cal.—G. F. Hoff, Mgr., 403-4 Union Building.
- SAN FRANCISCO, Cal.—Ben Armer, Mgr., 499 Monadnock Building.
- SEATTLE, Wash.—I. H. Jennings, Mgr., 802-805 Central Building.
- SPOKANE, Wash.—J. B. Campbell, Mgr., 116-8 Old National Bank Building.
- TACOMA, Wash.—J. D. Benner, Mgr., 303-305 Bank of California Bldg.
- WICHITA, Kan.—Willis Davis, Mgr., Southwestern Drug Co.
- YOUNGSTOWN, Ohio—W. C. McKain, Mgr., 607 Stambaugh Building.